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No. 1, 1 January 1982

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Translation of the semimonthly theoretical journal of the Central Committee of the Chinese Communist Party published in Beijing.

CONTENTS

Tell the Truth, Don't Save Face (pp 2-6)
(Chen Yun)... 1

Keep the Overall Situation in Mind and Give Meticulous Guidance (pp 7-10)
(RED FLAG Editorial Department)................................... 8

The Whole Party Must Study Marxism (pp 11-12)
(Song Renqiong).. 15

The Key To Building the Two Civilizations (pp 13-14)
(Zhao Shouyi).. 18

Study Economic Theory in the Light of the 10 Principles (p 15)
(Commentator).. 22

How Should We Look at the Study of Economic Theory at Present? (pp 16-17)
(Su Xing).. 24

Put an End to the Practice of Allowing Theoretical Study To Take Its Natural Course (p 18)
(Li Biyan)... 27

Learn From the Women's Volleyball Team and Work Hard (pp 19-22, 6)
(Rong Gaotang)... 29

An Ideological Treasure From the United Front—Studying the Expositions Concerning the United Front Contained in Volume 1 of the 'Selected Works of Zhou Enlai' (pp 23-27)
(Yang Chao).. 37

Eternal Glory to a Man Who Worked for the Party All His Life--In Memory of Comrade Deng Zihui (pp 28-32)
(Liu Ruilong) 45

How Should We Look at the Question of Market Prices at Present? (pp 33-36)
(Liu Zhuofu) 55

Act in Accordance With the Education Laws and Improve the Quality of Teaching in an All-Round Way (pp 37-40)
(Wen Hanjiang) 62

The Individuality of Creation and the Spirit of the Times (pp 41-44)
(Li Zhongyue) 70

The Cycle of Reproduction and the Characteristics of Economic Crises in Postwar Capitalism (pp 45-48)
(Xiong Xingmei) 77

A Few Suggestions for Improving the Agricultural Production Responsibility System (inside back cover)
(Yu Yaozhong) 84

TELL THE TRUTH, DON'T SAVE FACE

Beijing RED FLAG in Chinese No 1, 1 Jan 82 pp 2-6

[Speech on 9 May 1945 by Chen Yun]

[Text] CCP Central Committee party literature research office's note: "Tell the Truth, Don't Save Face" is a part of a speech Comrade Chen Yun made at the seventh CCP national congress in 1945. It vividly and profoundly explains how to treat merits and mistakes from the historical materialist point of view and asks our cadres, especially leading cadres, to tell the truth and not to save face. The principles Comrade Chen elaborated in his speech should be studied well and understood today by all comrades of our party at a time when the party's fine traditions have been seriously damaged after 10 years of turmoil under the rule of the Lin Biao-Jiang Qing counterrevolutionary clique.

Recently, the party Central Committee asked us to bravely take up the weapon of criticism and self-criticism and cleanse ourselves of political dust and microorganisms. It also asked leading members of party organizations at all levels in particular to make preparations for conducting "correct and serious criticism and self-criticism without distorting facts," earnestly improve the style of party leadership, improve collective leadership by party committees at all levels, enhance unity both within and outside the party and give effective leadership to all fields of work. The study of Comrade Chen Yun's speech is of great importance in implementing the guidelines and meeting the requirements set by the party Central Committee.

Pursuant to the instructions of the Secretariat of the party Central Committee and with the approval of Comrade Chen Yun, this speech is now published for the study of party members and cadres.

If a comrade asks me: You have been head of the organizational department for several years, do you have something to say? I would say that I have, now that I am relinquishing this job for Comrade Peng Zhen to take over. If he asks me: What do you have to say? My answer is: I have already made clear in Comrade Shaoqi's office as to how many party members, cadres, statistical tables and pamphlets we have. Now I do not want to say more about that but I would like to speak about something else. I feel that I have the responsibility to speak to you at this congress about what I have seen. You, comrades, can study and decide if I am right and criticize and refute me if I am wrong. In the past 7 years I have found a number of party cadres arrogant. During this period I did not make contact in my work with large numbers of cadres. I have not been to north China, central China and the area under Kuomintang rule during the war of resistance against Japan. But many people have come to Yanan from these places to "make a pilgrimage." From my contact with these people, I have found that many people like praise and dislike criticism. Some people only want to be promoted, but not demoted. When they make a contribution, they are sure to claim credit for themselves. When they make a mistake, they always try to shirk their responsibility. When they are criticized for their mistakes, they give a lot of reasons to prove they are not at fault. They feel comfortable when praised, and uncomfortable when criticized. This is a tendency existing among a number of cadres within our party. Let me define more clearly what I have said. Our party cadres on the whole are good. They are basically Bolsheviks, with some defects. With regard to the condition I just described, there is some difference between the period before and after the rectification of incorrect work style. There has been a great improvement following the rectification. But the condition still exists among a number of our cadres. The rectification has touched only a number of cadres. Here I want to add that the number of cadres unmoved by the rectification is quite large, not just a few. They include those in the local areas and those in the army. From what I see, the army has more of such people than the local areas. This is my own view. Cadres who are arrogant include low-ranking cadres, middle-ranking cadres and high-ranking cadres as well as the big shot [datouzi 1129 7333 1311]. The nature of individualism of low-ranking cadres is the same as that of high-ranking cadres, but the "burdens," in my opinion, are different. This is because the "burden" of individualism carried by low-ranking cadres is limited. For instance, a company leader will carry on his back a bed sheet, two pairs of shoes, a box of tooth powder and a toothbrush. That is all. The burden is uncomfortable, but not as uncomfortable as that of high-ranking cadres, big shots, party and army chiefs who have more baggage, such as bed sheets, cotton-padded mattress and blankets. Thus a high-ranking cadre with such a tendency is more dangerous than a middle- or low-ranking cadre because of the difference in "burden." The "burden" I have just mentioned refers to individualism in the mind of a communist. Why should one feel arrogant? Well, there is a basis for arrogance. The person is aware of his contributions. If he discovers that he has made no contribution, what can he feel arrogant about? Arrogance comes when a person feels that he has made some contributions.

Incidently, I would, therefore, like to discuss my views on contributions and mistakes. If you have performed certain work under party leadership and have thus accomplished something, what will be your view of your accomplishment? I would say that three factors should be noted: first, the strength of the people; second, leadership by the party; and third, the personal role. Can this order be reversed so that personal role comes first, party leadership second and the strength of the people third? I say no. This order must never be reversed. You will ask, why not? Why should the people's strength come first? It is wrong to think that if one does not take part in the revolution, the common people can never be emancipated, the CCP will be at its wits' end and the masses will find themselves at a disastrous impasse. When a hero dies, will the revolution come to a halt? Will the people no longer wage revolution? The common people still want to wage revolution and the party continues to advance. Therefore, the people, not the heroes, come first and the party comes second. One must give full weight to the role of the party. Take the army for instance. Our army sometimes loses battles, but it will not collapse. One should have some personal experience in this and believe not his ears but his eyes. During the Long March, the Fifth Army Corps fought every day for a period of 100 days while on a forced march. It seemed that this corps could not fight any longer. Marching forward with torches in their hands, the soldiers' morale was low. However, everyone would have thrown away their torches and continued fighting to resist the enemy if the superiors had decided to continue the battle. Soldiers taken prisoners by the enemy managed to escape and returned to their parent units one after the other. Things were very difficult during the Long March, but no one wanted to leave; they stayed with us because the army was an army led by the Communist Party. It is easy to lead this army; but in another sense, it is difficult to do so. The fact that everyone wants to wage revolution and accepts no mandatory orders makes it very difficult to lead the army; yet, the fact that everyone is conscious of what he is doing and works hard for conscience sake makes it easy to exercise leadership over the army. In other armies, if a company leader, a regimental commander or a division commander changes sides, he can take his unit with him. But our army is different. If a leader or a commander is a turncoat, the men will refuse to go with him and will kill him. There have been many examples of this in the past and at present. What strength is behind these examples? This is the party's strength. The Communist Party is welcomed by the people wherever it goes. The common people first ask if you are a member of the Eighth Route Army or not? Why should they ask? It is because the common people support the Communist Party. Because they are poor, they want to be emancipated, to strike blows at the local tyrants and share their land, to "share" something. They agree with the Communist Party. This shows the party's strength, not the strength of the individual. This indicates the party's influence. Our Communist Party has had its low and high points. During the late years of the civil war, we were welcomed by the common people even though we pursued an erroneous line. I do not say this for the purpose of defending the mistakes made in those years. What I say is a fact. The common people did not accuse you of following a dogmatic line. They only knew that you were communists and that the Communist Party wanted to overthrow the local tyrants, to share their land and to work for the people's interest. All this shows that our party's strength is powerful. Therefore, the people come first, the party second and the personal role comes last.

Does the individual play a role? I would be wrong if I negated the individual's role. If the role of the individual means nothing, why should we support Chairman Mao? I say the individual plays a role and sometimes a big role. My word here is based on facts. People, whether they are Chinese or foreigners, with the exception of a tiny number of reactionaries, all say that Chairman Mao's leadership is fine. However, the most essential thing is the common people, the Communist Party. When a person acknowledges that this is true, has worked for a period of time and his work is not bad, can he say "I have made a great contribution"? No, this is not appropriate. The question should be viewed this way: In line with the revolutionary requirements of the people and with the party's leadership, we have worked in conformity with the objective situation and have not made many mistakes. Our work is just so-so. It is very rare that objective conditions allow a person to accomplish his work fully. It is common that when objective conditions permit a person to accomplish 100 percent of his work, he has performed only 80 percent, 60 percent, or 50 percent because of his shortcomings. Then, what can one feel arrogant about? Another situation is this: When objective conditions are so good that they permit a person to accomplish 100 percent of his work, he has accomplished nothing because of his mistakes or he has performed only 20 percent or 10 percent because of his many shortcomings. He has not made a single contribution but has committed numerous mistakes because 80 percent or 90 percent of what he has done was wrong. In this case, he must not feel proud of what he has done. Is this view correct? I say it is correct. We should not overestimate our own role and feel so self-important.

If other comrades respect and praise you for your good work, you should be on guard. Do not feel complacent when people praise you or you will trip and fall. When is a person apt to trip and fall? We had this experience when we were proceeding on foot during the Long March, that is, we were constantly wary of tripping and falling. If you thought you had never tripped and fallen during the march, then you were likely to trip and fall soon. Therefore, you should be on guard when people praise you. Think for yourself whether you are that good. Maybe you are not that good and you should be on guard. The CCP has so many examples of this. Those who believed that their personal contribution was beyond that of the people and the party have fallen and never risen again. I find the most outstanding examples in two persons--Chen Duxiu and Zhang Guotao. In the past, that old fogey Chen was a VIP, being publicly recognized as the party's leader during the great revolution. Zhang Guotao, or Chairman Zhang, was the chairman in the border region. But when he abandoned the common people and the party, he was not worth a coin.[1] During the Qing dynasty, a ma [7802] money was used, which was subsequently replaced by copper coins. Was he worth a copper? No. What are they up to now? Chen Duxiu is dead. He organized liquidationists to oppose us, but the people did not support him. Was the later Chen Duxiu the same as the earlier Chen Duxiu? The later Chen Duxiu was indeed the Chen Duxiu of the great revolution. They were actually one and the same man. At first, the people supported him as leader, but they eventually ignored him. Zhang Guotao, formerly Chairman Zhang, is now engaged in secret service. Does he have supporters? Only Generalissimo Chiang supports him. The common people do not support him. Did he have a large mountain stronghold in the beginning? The Fourth Front Army was sizable, but he was alone when he left. All the cadres stayed away from him and his guards also returned to Yanan. He was alone when he left amid the drizzling rain of the Qingming season. We can draw a lesson from these things. A person has his contributions, but he should not overestimate them. He who abandons the people and the party will achieve nothing. This is how we should measure ourselves. From where do your merits derive? For one thing, the common people want revolution. We, the party members, have merely done something under the party's leadership to meet the people's demand. That's it. In no way should we feel complacent.

Regarding the question of making mistakes, I have the feeling that besides an incorrect stand and a vicious motive, there are other things which trip up a person. Because of a misperception of the objective things, the resulting actions also go wrong. There were many instances of this in the past and there are many at present. We wonder how many more such instances will occur in the future. When people say, "Hey, you are wrong," should we blush and feel offended? Of course it is not good to make mistakes, but it does not matter if you have a correct attitude. If you make a mistake and others criticize you, you should ask for their advice, learn how they analyze the mistake, and then correct it. In this way you will make fewer mistakes in the future. We must tell the truth, not save face. We should evaluate things as they are and do what needs to be done. Sometimes, the more you save face for the moment, the more you lose it in the future. Only when you are not afraid of losing face, cast aside all considerations of pride and sincerely correct your mistake can you keep some face. A Communist Party member who takes part in the revolution has given up everything and is ready to sacrifice his life for the revolution. So why should he be concerned about face? Cast aside such considerations, tell the truth, and do whatever is beneficial for the people and to the revolution. We are shouldering such a heavy burden and if we want to save face, we will not be objective when discussing things and will look at things from a certain angle, that is, we will tend to support the opinions that are beneficial to us and to our faces and disapprove of those that do not consider our faces. If you want to save face, you will view things from the angle of personal interest when discussing questions and take a wrong stand. You will not see problems clearly or tell the truth. The results are bound to bring harm both to other persons and to yourself. For instance, the enemy is powerful. However if we misjudge it and think it is weak, then we are defeated. Defeat is the result. This not only happened in the past, but will also happen frequently in the future. No one is an exception.

Why do I spend so much time on this question at the meeting of the seventh national CCP congress? I feel I have the responsibility. Having been the director of the CCP Central Committee's Organization Department for 7 years and being aware of this question, I need to talk about it at the meeting. I hope delegates to the congress will examine and verify the matter to see if it is correct and determine which part is correct, which part is wrong and whether it is all correct or all wrong. Anything wrong with it can be refuted. If this situation really exists, I hope everyone will make corrections in this respect. Now is an opportune time, a very important opportunity. Chairman Mao's report says that according to the general situation in the world and China, we are on the eve of a final battle. We have the ambition to liberate the whole of China and arouse the people of all of China to stand up and to hold the political power in their hands. This should be done immediately. The seventh national CCP congress is precisely designed to accomplish tasks like this. Now the whole party's task is to increase its strength and there are many ways to do this: by either expanding the liberated areas or by shrinking the enemy-held areas. I personally feel that we should increase and decrease at the same time. By increase, I mean we should study. By decrease, I mean we should unload the "burden," which is also a way to increase strength. The strength increased in this way is inestimable. If all our comrades are upright, seek truth from facts and are devoid of individualism, they can withstand an army of 100,000 or 1 million. This is an invincible power.

Comrades, the CCP is a party with its own army. In making revolution, we have local civilian work and military work to do. At present, army work and armed struggle are the major work. The army holds the guns. Its organization is more centralized. Its cadres hold great responsibilities and its ranking cadres hold even greater responsibilities. Can the 450 million people achieve liberation? Will liberation be achieved early or late? Will some 100,000 less people be sacrificed or some 100,000 more? The people throughout the country place their hope on our party and on our ranking cadres. If we do our work well, victory will come and the people will be liberated soon. If we do not do our work well, the 450 million people will not be quickly liberated, victory in the revolution will be delayed for years and many more people will be sacrificed. Then, we will be letting the people down. Our party has to decide the destiny of the people throughout China. Communist Party members, it is the people who have chosen you to be their representatives in waging revolution. It is the people who want you to lead them in the struggle for emancipation. We have this duty. We cannot afford to fail in our work. Failure in our work is not just the matter of one person or a few people. The success or failure of the 450 million people throughout China is at stake. We must be conscientious. We should cast away all that is bad and everything that should be cast away. We should shoulder our responsibilities in front of the people. Failing to do so means failing to fulfill our duty. People say that CCP members are outstanding descendants of the Chinese nation. Whether we are outstanding or unworthy descendants can be judged by whether we have fulfilled our duty for the people. This duty has been given to us. We should conscientiously handle this question. I repeat: Our comrades are basically Bolshevik and are good Communist Party members. What I was talking about was some drawbacks among the good. Some cadres have these drawbacks. Now, it is time to correct these drawbacks. During the civil war period, a book entitled "Struggle To Make the CCP More Bolshevik"[2] was published. That was not good. We must discard our "burden," truly struggle to become Bolshevik and increase the strength of ourselves and the party.

FOOTNOTES

1. Zhang Guotao was acting chairman of the Shaanxi-Gansu-Ningxia border region government from September 1937 to April 1938. On the Qingming

tomb-sweeping day in April 1938, representing the Shaanxi-Gansu-Ningxia border region government, Zhang Guotao held a memorial ceremony at the Huang emperor mausoleum and took this as an opportunity to escape to Wuhan to join the Kuomintang secret service group, thereby becoming a renegade of the Chinese revolution. So, later on in the passage it was said that "he was all alone when he left amid the drizzling rain of the Qingming season."

2. This refers to a booklet by Wang Ming published in 1931 representing the left-deviationist dogmatism.

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KEEP THE OVERALL SITUATION IN MIND AND GIVE METICULOUS GUIDANCE

Beijing RED FLAG in Chinese No 1, 1 Jan 82 pp 7-10

[Article by RED FLAG Editorial Department]

[Text] Filled with a feeling of joy, all of us are now ringing out the year 1981 and ringing in the year 1982.

How was our work in 1981, now that we are reviewing it? If we do not have any prejudices, we cannot but admit that the whole party, including all localities, nationalities, trades and professions and fronts, made new contributions and scored major new achievements in our work. What were the principal signs of these major new achievements? First was the continued turn for the better in the economic situation and second was the greater stability in the political situation. The continued turn for the better in the economy refers not only to the fact that we have overcome serious natural disasters, that our production has increased by a considerable margin and that there has also been very great improvement in our financial status while great readjustment of the national economy is being carried out; but, what is more important, it refers to the fact that we have systematized a set of correct principles for the guiding ideology of the socialist economic construction, that is, the 10 principles put forth by Comrade Zhao Ziyang in his report to the 4th Session of the 5th NPC. The latter achievement is, in a certain sense, greater than the former one. It is precisely this set of principles that has enabled our national economy to embark on the path of steady development. It is also precisely this set of principles that will ensure that we do not take the tortuous path of muddling things up in the future, but take the new path with substantial speed, better economic effect and more practical benefits for the people. This is the experience we have gained after spending many years and paying great sacrifices. Politically, we have maintained and developed in the past year the political situation characterized by stability, unity, vividness and liveliness. It can be said that the political situation in our party and state at present is the best since the 1960's. In this aspect, the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" approved at the 6th Plenary Session of the 11th CCP Central Committee has played a positive role in unifying the ideology of the whole party, the whole army and the people of all nationalities throughout the country, strengthening unity, enhancing revolutionary vigor and building a powerful and modern socialist country with one heart and one mind. This role has exceeded the expectation of a great many comrades and is showing itself ever more clearly.

The achievement in the past year has not been gained easily. This is the result achieved by the whole party, the whole army and the people of all nationalities throughout the country with concerted and strenuous efforts under the guidance of the principles and policies of the CCP Central Committee. We should fully understand that the entire situation is getting better and better with each passing year and that the party's prestige is rising continuously. More and more people at home and abroad believe that our party has the ability and means to administer our country well and to achieve the objectives of our struggle for this century. We should have the confidence in ourselves and the steadfastness of the proletariat. The view that the prestige of our party appears to be dropping continuously does not conform to reality. Comrade Mao Zedong often quoted Lenin as saying that, in order not to make others vacillate, one should first of all not vacillate oneself. We should always remember this sentence.

Naturally, we should also understand that the people set very high demands on us and expect us to do more and better. As a matter of fact, some of our work has not been done well and a lot of problems have not been solved well. We should never overlook the problems in this aspect. What are our conclusions then? The conclusions are: do not be satisfied with the achievements made, and do not slacken our efforts but continue to go all out, forge ahead and strive to achieve the objectives of our struggle in the new year.

The year 1982 is the sixth year since we smashed the "gang of four," the fourth year since the 3d Plenary Session of the 11th CCP Central Committee was convened and the first year since we accomplished the historical task of bringing order out of chaos in the guiding ideology of our party. That is to say, the party will have many more favorable conditions in 1982 for concentrating its energy on leading socialist modernization better. Therefore, it is entirely justifiable to ask the whole party to do its work better in various fields so as to obtain better results in the new year and to win still greater victories in socialist modernization.

In order to win still greater victories in socialist modernization in 1982, what are the targets and the requirements?

First, it is necessary to simultaneously grasp the building of material civilization on the one hand and the building of spiritual civilization on the other. Relatively satisfactory results should be achieved in these two aspects. The slogan that "life under socialism must attain a high ethical and cultural level" has been recorded in the "resolutions" of the 6th Plenary Session of the 11th CCP Central Committee. This is a very good slogan and has a very strong appeal to the people of the whole country. It can play a very good role in mobilizing the people politically and exert very good influence internationally. The bourgeoisie has always accused us of paying no attention to civilization in building communism. We declare that socialist spiritual civilization is 10,000 times better than your civilization!

Second, it is necessary to develop the economy vigorously, steadily and speedily. The advantage of this formulation is that it contains both given quantitative requirements and strict qualitative ones and unifies the two aspects. Stress should be laid on steadiness, and it is necessary to do away with falsity. This means that close attention should be paid to improving economic results. This makes it necessary for us to conscientiously carry out the 10 principles for economic construction and solve a series of major problems in a planned way. Every sphere, including agricultural and industrial production, communications and transportation, capital construction, circulation of commodities and finance and banking, should do its work in a down-to-earth manner so as to raise economic results. We should fully understand the significance of improving economic results as the heart of economic construction. First of all, it is necessary to soberly understand that our economy has shown very great improvement since the great readjustment of the national economy, but the potential danger has not been completely eliminated. The task of stabilizing the economy, of achieving a near balance in financial revenue and expenditure and the basic stability of prices, remains a matter of the first magnitude that merits our close attention. Second, it is necessary to understand this truth, that is, whether we engage in construction or increase the income of the workers and peasants, the money comes, in the final analysis, from industry. Ninety percent of our state financial revenue is provided by industry. Only by improving the economic results of industry, which means that we have not only developed production but also increased our income, do we have money to engage in construction and improve the people's lives. Furthermore, it is also necessary to understand that in order to improve the economic results, it is imperative to have a firm grasp of the readjustment and restructuring of enterprises. The potential of our enterprises is very big. So long as we carry out technological transformation, gradually institute and amplify the economic responsibility systems, strictly enforce the various necessary rules and regulations, train the ranks of staff and workers well, reorganize the leading bodies, practice democratic management, raise the level of management, step up ideological and political work, overcome lax discipline, poorer quality, serious waste and other phenomena and crack down on the evil tendencies such as deception, tax evasion, graft, bribery, withholding profit that should be delivered to the state and overcharging the state, shall we be able to achieve the aim of improving economic results and further stabilizing the economy. Moreover, it is necessary to further make clear the guiding ideology for rural work. In order to stabilize the economy and enable the national economy to embark on a new path, we should rely not only on industry but also on agriculture. It is necessary to educate the peasants in collectivism and patriotism. They should be made to understand that it is imperative for China to take the road of socialist collectivization in agriculture; that it is imperative to uphold the long-term unchanged policy of public ownership for land and other basic means of production and the long-term unchanged policy of practicing the production responsibility systems in the light of the requirements of the collective economy; that it is imperative to uphold the principle of "never slackening our efforts in grain production and actively developing the diversified economy"; and that it is imperative to uphold the principle of giving consideration to the interests of the state, the collective and the individual. On the basis of raising the peasants' consciousness, it is necessary to gradually perfect the agricultural production responsibility systems and set up a rational agricultural production structure characterized by diversified economy, comprehensive development, good economic effect and a high commodity rate. Finally, it is necessary to profoundly understand this major principle: in the economic construction of our country, we must coordinate the activities of the nation like pieces in a chess game and act according to plans. Ours is a great socialist country with 1 billion people, 800 million of whom are peasants. In all the economic activities, stress should be laid on the planned economy supplemented by regulation by market mechanism. In our country, the relationship between the planned economy and regulation by market mechanism is one between the principal and the subordinate aspects. Our economic work should be aimed by providing 1 billion people with rice and enabling our country to have the surplus strength to carry on with the construction. The improvement of the people's lives should be kept within the framework that they can eat and engage in construction. The consumption of the people should be arranged according to plans for we should not pay attention to eating alone. There would be no prospects for our country if we should eat or use up everything. The construction of our country should also be carried out according to plans in order of priority and importance; we should not upset the balance among finance, credit and goods. It is also necessary to strengthen guidance of the agricultural economy and allow the peasants to operate within the scope of the state plans. Only by doing so can we conform to the overall, long-term and fundamental interests of the people and the state.

Third, in carrying out political work and building spiritual civilization, we must strive to make definite improvements in social order, social morality and party work style. In areas inhabited by minority nationalities, we should also strive for great improvements in the relationship and unity among nationalities. In order to accomplish these three tasks, it is necessary to adopt a series of practical and effective measures.

First, it is necessary to mobilize the whole party and all social forces and to arouse all media and mass organizations to create strong and persistent public opinion for building socialist spiritual civilization. Otherwise, it is impossible to build socialist spiritual civilization. We were very good at creating public opinion during the war of resistance against Japan. In implementing the three main rules of discipline and the eight points for attention, the people's army was also very good at creating public opinion. In December 1980 Comrade Deng Xiaoping proposed that, in achieving the four modernizations, it is necessary to vigorously promote the spirit gained during the revolutionary war years. He said: "We should also spread this spirit among the entire people and youths by giving it great publicity and setting an example, so that it will become the main pillar of spiritual civilization of the PRC, cherished by all people in the world who demand revolution and progress and admired by many people in the world who lack spiritual ballast and suffer spiritual depression." It seems now that the matter has not aroused the close attention of the people and has not been given "great publicity." "Great publicity" refers to creating public opinion. It is necessary to create powerful and sustained public opinion to foster the healthy tendencies and suppress the unhealthy ones. The methods of piecemeal, weak and feeble publicity will not achieve the desired results. In brief, in building a high degree of spiritual civilization for our nation, it is necessary to conduct extensive, thoroughgoing and sustained education among the whole party, the whole army and the people of all nationalities throughout the country. It is necessary to pay attention to this matter for many years and make it known to every household.

Second, all party and government organizations, armed forces units, enterprises, schools and mass organizations, totaling more than 100 million members, should take the lead in talking about civility, courtesy, sanitation, order and morality, stressing beauty of the mind, language, behavior and environment, planting trees to make the motherland green, beautifying the environment, and carrying out sanitation work and other socialist activities for the benefit of the public. The 4th Session of the 5th NPC has approved a resolution on launching a voluntary tree planting movement by the whole people. We should promote these activities in a sustained and thoroughgoing way and not carry them out on and off or in a feeble manner. This is also a movement for changing prevailing habits and customs and transforming China. The significance of this matter should not be underestimated. There are 1 billion people in China and if we first pay attention to these movements in a persistent manner among the 100 million people, the prevailing customs of the entire society will change accordingly.

Third, it is necessary to effectively reorganize the grassroots organizations in the cities and the countryside and to improve the ideological and political work of party organizations and the government work in the grassroots. This is a very important matter. Take the rural areas for example. After the practice of various forms of the production responsibility system and especially in localities where the system of assigning farm output quotas for each household and assigning each household full responsibilities for task completion has been practiced, it is necessary to pay close attention to avoid or rectify the breakdown or disintegration of the grassroots organizations. As an economic unit, the function of the production brigade and the production team in leading the economy should be preserved; the function of commune (township) and production brigade (village) as basic-level government in particular should be correspondingly strengthened. Otherwise, the various kinds of confusion in the rural areas will unavoidably spread. At present, in some localities of the rural areas, public security is poor, the general mood of society is unhealthy and gambling and superstitious practices are rampant. An important reason for the emergence of these phenomena lies in the fact that the party and government organizations in the grassroots are not sound. It is therefore necessary to reorganize the basic-level organizations so that the ideological and political work of the grassroots party organizations and the government work at the grassroots can be genuinely strengthened.

Fourth, it is necessary to continuously strengthen the work of party discipline inspection committees and the administrative and judicial departments, to earnestly solve the unsettled problems regarding the implementation of the party's policies, and to resolutely and promptly hit at all violations of law and discipline and criminal activities. The leading comrades of the

CCP Central Committee recently pointed out that a few units and cadres continued to engage in smuggling activities and the activities of selling smuggled goods and that the fact that some localities had failed so far to deal with the matter gave us much food for thought. With respect to matters of this kind, it is necessary to investigate them thoroughly and mete out stricter and heavier punishment if an important person or a big organization is involved. From this we can see that, with respect to the serious matters of violating law and discipline within the party, if we fail to resolutely and mercilessly investigate and affix responsibility for them, it will be impossible to rectify the party work style. In order to improve the general mood of society, it is first of all necessary to rectify the party work style. An extremely important aspect in building spiritual civilization is to use the party work style to promote the common practice of the people.

Fifth, it is necessary to transform the superstructure in a planned and systematic way, to simplify the administrative structure, to vigorously overcome bureaucratism and to greatly increase efficiency. The malpractice of bureaucratism that exists in the political life and economic management of our state has become a serious obstacle in our efforts to advance along the new path for developing the national economy and to engage in the building of the four modernizations. After meticulous investigation and repeated studies, the CCP Central Committee and the State Council are determined to adopt decisive measures to resolutely change the intolerable states of affairs, such as great numbers of departments, overstaffed organizations, complicated administrative structure, petty disputes, having more hands than needed, excessive number of deputies and nominal positions and low work efficiency. The central organizations and the State Council will set an example for the party and government organizations at various levels throughout the country by putting them into practice first. The measures will then be spread from one level to another and be accomplished by stages and in groups within the specified time. Without grasping the link of simplifying administrative structures and without starting with this work, it would be impossible to overcome bureaucratism.

Building socialist spiritual civilization is a long-term and tremendous strategic task which requires us to do a lot of work. It is necessary to start our work by paying attention to social order and the general mood of social and party work style--particularly party work style. This is a major task the whole party should pay close attention to.

Now, the correct line and principles have been laid down and the targets of our struggle have been ascertained. It is necessary to let all our party members fully understand the significance of achieving new major successes in our work in 1982. We can take a still firmer stand if we make new and greater progress in economic and political work and in building material and spiritual civilization in 1982. Then, the path will be smoother for us to advance from this year to the next, march onward toward the goals of the "sixth 5-year plan" and subsequently open up a new period of economic prosperity. At the same time, it goes without saying that this will also be of great significance in promoting the return of Taiwan to the motherland and the handling of international affairs. In brief, what should be done since the fighting tasks for this year are so heavy and there is so much work to be done? First, it is necessary to enhance revolutionary vigor and second, to pay attention to methods of work. In a word, with respect to the work for this year, the whole party, first of all the leading organs and leading comrades at various levels, are expected to accomplish the following requirements: keep the overall situation in mind and give meticulous guidance. It is necessary to uphold the four basic principles and overcome the state of laxity and weakness in the work of leadership.

CSO: 4004/21

THE WHOLE PARTY MUST STUDY MARXISM

Beijing RED FLAG in Chinese No 1, 1 Jan 82 pp 11-12

[Article by Song Renqiong [1345 0117 4522]]

[Text] Since the day of its founding more than 60 years ago, our party has always relied on the conscientious study of Marxism and adhered to the integration of the universal truth of Marxism-Leninism with the concrete practice of the Chinese revolution to save the revolution from danger and disaster. This has enabled the revolution to turn from defeat to triumph and to advance from triumph to still greater triumph. At present, as the party in power of such a great oriental country as China with its long history, complicated conditions and formerly very backward economy and culture, our party shoulders the magnificent task of leading 1 billion people of various nationalities in realizing socialist modernization. The government work report recently adopted by the 4th Session of the 5th NPC has pointed out that in order to fulfill this task and build a high degree of socialist material civilization as well as socialist spiritual civilization, we must genuinely proceed from actual conditions in China and break a new path that will be more realistic in speed and that will produce better economic results and provide more material benefit for the people. To this end, the conscientious study of Marxism-Leninism-Mao Zedong Thought should occupy an extremely important position among the comrades of the whole party.

Since the 3d Plenary Session of the 11th CCP Central Committee, our party has, on the basis of practical examination, correctly summed up the experiences of the past and corrected the leftist mistakes in guiding ideology. This has enabled a great improvement to take place in the level of Marxism of the whole party. Only as a result of integrating with the concrete practice of China's socialist construction can the universal truth of Marxism-Leninism increasingly demonstrate its immense vitality and can achievements be made in various kinds of work. The present problem is, some of our party members and cadres and even some of the comrades in charge of leadership work have not paid enough attention to the study of Marxism. Consequently, when confronted with the new conditions and new problems which constantly appear, they do not know what to do and cannot apply the correct stand, viewpoint and method to observe and solve the various complicated contradictions. They are unable to link up the actual conditions of their own locality and department to comprehensively understand and consciously implement the policies and principles of the party. They have no knowledge of the true state of affairs and are always vacillating. They stick to their own views and engage in endless arguments. The advance of history and the development of causes are so fast that if we deviate only slightly from Marxism, the discussion of emancipating the mind, exploring new paths and successfully carrying out various tasks would be out of the question and we would be lagging further and further behind the trend of the times. All party members and cadres, and above all the leadership cadres, must fully understand that only by conscientiously studying Marxism can they shoulder the important historical task and can they be worthy of the great trust of the people. On such a serious and important question as this, they cannot be the least bit sluggish or careless.

As the nature of the work and the responsibility shouldered by every comrade are not the same, there should also be particular emphasis on the content of study. I advocate that everybody should study a bit of philosophy, political economy, scientific socialism and history. At present, we must pay special attention to integrating the study of the resolution adopted by the 6th Plenary Session of the 11th CCP Central Committee with the economic expositions of Comrade Chen Yun and the 10 major principles for economic construction proposed by Comrade Zhao Ziyang. Study does not mean memorizing by rote. We must above all correctly understand the stand, viewpoint and method, restore and carry forward the good style of study of integrating theory with practice and apply the Marxist stand, viewpoint and method to analyze and solve actual problems in our work. We have often said in the past that we must study Marxism. However, because we sometimes did not integrate that with the practice of our revolution and construction, we have turned the lively theory into a rigid dogma and made serious mistakes. Wang Ming's dogmatism caused great damage to the cause of the Chinese revolution. In the Yanan rectification campaign which began in 1942, the whole party applied Marxist theory to sum up historical experiences, criticized dogmatism and unified thinking. This guaranteed the success of the war of resistance against Japan and the war of liberation. After 1957, because of the misunderstanding and dogmatic interpretation of certain ideas and theses in the works of Marx, Engels, Lenin and Stalin, and because we were not good at applying and developing Marxism in accordance with the already changed social condition, we also made mistakes in our work. After the smashing of the Jiang Qing counterrevolutionary clique, the erroneous "two-whatever's" policy still appeared among some of the comrades. From the 3d Plenary Session to the 6th Plenary Session of the 11th CCP Central Committee, as a result of the application of Marxism-Leninism-Mao Zedong Thought in bringing order out of chaos, carrying on the revolutionary cause and forging ahead into the future, our party has restored and formulated a series of correct principles and policies ideologically, politically and organizationally as well as in various fields of socialist construction, basically reversed the erroneous leftist orientation, produced the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" and enabled the principle of integrating theory with practice to emit greater radiance.

In the study of theory in the future, we must on the one hand continue to guard against and oppose dogmatism, and on the other hand, we must also guard against the tendency of opposing and despising the study of theory. Both these tendencies are subjectivism and a sign of ossification of thinking. Unless these obstacles are swept away, it is impossible to integrate theory with practice. In the past, by relying on the guidance of Marxism-Leninism-Mao Zedong Thought, our party obtained a victory in revolution and construction. At present and in the future, we must also rely on this heirloom to create new achievements. The great cause of 1 billion people building a strong and modern socialist country will constantly spur the Chinese communists to draw strength from Marxism-Leninism-Mao Zedong Thought, more closely integrate the basic principles of Marxism-Leninism with the concrete practice of modernization and enrich and develop Mao Zedong Thought. We hope that all the comrades in the party will attach great importance to the study of theory, seriously read books, and courageously practice and dedicate themselves to the cause of socialist modernization.

CSO: 4004/21

THE KEY TO BUILDING THE TWO CIVILIZATIONS

Beijing RED FLAG in Chinese No 1, 1 Jan 82 pp 13-14

[Article by Zhao Shouyi [6392 1343 0001]]

[Text] Our party is now going all out to undertake two things of great importance: one is to build socialist material civilization and the other is to build socialist spiritual civilization. This is our strategic thinking and two goals of struggle which are inseparable and complement each other. All our departments and work must be centered closely on and must serve these two great goals, and we must struggle for the realization of these two great goals.

To realize these two great goals requires many conditions, of which one exceedingly important condition concerns cadres. Our cadres at various levels are the pioneers of the vast masses on all fronts, and they are of vital importance in uniting and leading the masses in fulfilling the various tasks put forth by the party and the state. Stalin said that if we could train all cadres of the various departments into fairly mature Marxist-Leninists and help them to be able to solve the problem of state leadership without making serious mistakes, we would have the basis for solving all our problems. Therefore, the constant enhancement of the Marxist theoretical level and professional knowledge of our cadre ranks is a question of utmost importance in the building of socialist material civilization and spiritual civilization.

Our party has always attached great importance to the Marxist theoretical study and education of the cadres. The party's historical experience has shown that when cadres study well and the party's work style is good, our cause advances and triumphs; when cadres do not satisfactorily study and the party work style is unhealthy, our work requires strenuous efforts and even suffers setbacks. The Yanan rectification movement in 1942 and 1943 was a widespread and profound Marxist education movement. Through the rectification movement, the level of Marxism of the whole party was raised and an important ideological foundation was laid for seizing victory in the war of resistance against Japan and the war of liberation. In the early 1950's, the broad masses of cadres studied the history of social development, grasped the basic viewpoints of historical materialism, conscientiously remolded their ideology, fostered the revolutionary world outlook, preserved and developed the traditions of wholeheartedly serving the people, thus resulting in a more practical work style, fairly reliable implementation of the policies, and comparatively close relations between the cadres and the masses. Precisely because of this, in the first 7 years after the founding of the PRC, remarkable achievements were made in various work, the socialist transformation was completed smoothly, industrial and agricultural production expanded at rapid rates, the people were happy and fully confident in the future of socialism, and the general mood and outlook of the society was completely improved. Thus it can be seen that the cadres' doing a good job in studying and enhancing their theoretical levels of Marxism and professional knowledge have always been the key in the success or failure of our cause.

We are now in a great historical period, a period in which we are pushing our cause forward and forging ahead. The 6th Plenary Session of the 11th CCP Central Committee marked the completion of the historical mission of bringing order out of chaos in the party's guiding ideology, but the work to correct "leftist" mistakes in our work has not yet come to an end. There still exists a bourgeois liberalization trend in the society, and this also affects the party. The influence of feudal ideology and small-producer mentality is still widespread. There are some erroneous concepts and confused ideas concerning the four basic principles and also, in varying degrees, the party's principles and policies among some cadres and masses. The work to bring order out of chaos in theory and to conduct ideological education is still fairly arduous. Furthermore, the historical mission to build socialist material civilization and spiritual civilization has posed many new problems which we must study, analyze and solve by using Marxism-Leninism-Mao Zedong Thought. Therefore, to strengthen the cadres' theoretical study is of special significance at present.

The building of socialist material and spiritual civilization is not separated from the guidance provided by Marxist theory. To modernize industry, agriculture, national defense, and science and technology, it is necessary to use Marxism-Leninism-Mao Zedong Thought to study China's national condition and formulate correct principles and policies in accordance with the objective laws of the development of things. To build a socialist spiritual civilization, it is most necessary to strengthen the ideological education in Marxism. The term socialist spiritual civilization not only refers to education, science and education but also to communist thought, ideals, beliefs, moral concepts, discipline, revolutionary stand and principles, a comradely relationship among people, and so on and so forth. Socialist spiritual civilization is, up to now, the highest stage of the development of spiritual achievements of mankind. The core of socialist civilization is the communist spirit, which is a fundamental indication of differentiating socialist spiritual civilization from the spiritual civilization of the past historical stages and other societies. Besides, communism is the Marxist ideological system. Therefore, using Marxism-Leninism-Mao Zedong Thought to educate people is the central issue in building socialist spiritual civilization.

Marxism holds that the working class will not spontaneously produce a socialist consciousness. Ideological consciousness will not automatically improve simply because production is expanded. Marxism is the most advanced scientific ideological system based on the whole cultural knowledge of mankind. It should be instilled into people's minds. This means that using Marxism to educate people is a long-term and arduous task. In the past, we relied on the propagation of Marxism in inspiring, educating and organizing the masses and won victory in seizing political power. Now to build the two civilizations, it is necessary to do this instilling work. At present, first of all, it is imperative to help the 20 million cadres throughout the nation, and in particular the leading cadres at various levels, receive a relatively full education in Marxism. By intellectual investment, we mean first and foremost making investment in the cadre ranks and conscientiously promoting cadre restudy and reeducation. Only when they are helped to base their world outlook on Marxism, to acquire the spirit of self-devotion to realize the ideal of communism, to set high aims and lofty aspirations, to work hard for the prosperity of the country and transform China, and to have the correct ideological line of seeking truth from facts, can they lead by example and teach the people throughout the country to foster communist thoughts, ideals, beliefs and moral concepts and habits, and to go all out with one heart and one mind to struggle for the construction of the two civilizations.

Owing to the damage caused by Lin Biao and the "gang of four," the party's tradition of attaching importance to theoretical study was suspended for a fairly long time. During the "Great Cultural Revolution," sham Marxist and anti-Marxist absurdities were in vogue, ideological confusion prevailed, and the demarcation line between right and wrong was obscured. Large numbers of new cadres lack an education in basic Marxist knowledge, and the theoretical quality of the entire cadre ranks is far from suiting the requirements of the present situation. Since the 3d Plenary Session of the 11th CCP Central Committee, the Marxist ideological line has regained its ruling position throughout the party. The state of affairs has begun to turn for the better. However, the problem in which some cadres look down on and even detest and reject theoretical studies has not been completely solved. By either using the pretext of being busy in routine duties or being content with simply reading documents and materials and even regarding economic construction as a matter of practice, some cadres refuse to study Marxism. Being mentally active, some comrades dare to dig into problems but because of not being well prepared in terms of basic Marxist theory and of failing to profoundly experience and observe the history of the Chinese revolution and the reality of Chinese society, they are apt to be influenced by the erroneous trends of thought and to go astray ideologically. Facts have proved that only by closely integrating with practice and enhancing education in basic Marxist theories, can we heighten our consciousness, achieve unity of thinking and unify the understanding of the vast numbers of cadres on the line, principles and policies formulated since the 3d Plenary Session of the 11th CCP Central Committee so as to better lead the masses in building the two civilizations.

In terms of cadre's theoretical study, we have experiences both positive and negative which we must sum up in an earnest way and, especially, we must make a serious study and draw up a plan in the light of the new situation. For some time in the past, it was true that we did not get a good grip on theoretical study, particularly in the case of in-service cadres. In reality, the absolute majority of cadres are at their own posts and those cadres who can leave their jobs temporarily to study in party schools are limited in number. Genuinely to enhance the political and ideological consciousness of cadres, improve work style and work methods, and raise work efficiency, it is essential to devote much time and energy to promoting study by cadres.

At present, the cultural and theoretical levels of cadres are uneven. In the light of the experience gained in the early postliberation days in dividing cadres into advanced, middle and primary study groups and in proceeding from the existing foundation of the cadres, it is advisable to exercise specific and systematic guidance for them. The contents and requirements of study should vary, and uniformity must not be imposed. The ways and means must also be diverse and varied. According to content variety, running short-term study classes, evening party schools and television universities is encouraged. In short, it is necessary to adopt measures which are welcomed by the cadres and to encourage all of them to study more and better. It is imperative to strengthen the tutorial aids to help cadres in their study. The CCP committees of various provinces, municipalities and autonomous regions are encouraged to run publications to provide guidance to cadres in their theoretical study. Localities which have the necessary conditions are urged to set up a contingent of full-time or part-time teachers and instructors in political theory. Cadres who study hard and make marked achievements should be commended and encouraged, and the cadres' study and results of study must be taken as one of the bases for testing and promoting cadres. In sum, herculean and effectual efforts should be made to make the cadres' theoretical study a success. If this is done well, we will be able to substantially raise the theoretical level of the whole party and promote the building of socialist material civilization and spiritual civilization.

CSO: 4004/21

STUDY ECONOMIC THEORY IN THE LIGHT OF THE 10 PRINCIPLES

Beijing RED FLAG in Chinese No 1, 1 Jan 82 p 15

[Article by Commentator]

[Text] The government work report delivered by Comrade Zhao Ziyang at the 4th Session of the 5th NPC correctly analyzed the economic situation in our country, pointed out the prospects for our development and emphatically expounded the 10 principles for economic construction. These principles should be utilized in blazing a new trail for developing our economy at a more realistic speed and with better economic results, and for achieving more material benefits for the people. They are clear, abundant in content and have not only provided us with a definite work program in our socialist economic construction but also with important material for our study of economic theory. The study of the government work report and the study of economic theory can be and must be closely related.

The core of these 10 principles is achieving better economic results. This is the prerequisite for achieving more material benefits for the people as well as the key to ensuring the continued development of the national economy. It must be considered the basic starting point for all our economic activities. Needless to say, in the study of economic theory, we must firmly grasp this core. Why is it that many of our important indexes, which reflect economic results, are lower than those of the developed countries at present, and even lower than the historical record levels of our country? Why have things remained unchanged in many places and units in spite of the great efforts for years, and why has the development of production and improvement of people's livelihood not conformed with the efforts the people have made? What should we do to effectively straighten out our guiding ideology, to master economic laws, to improve our work and produce as much material wealth as possible with the least possible consumption of manpower and materials and financial resources? These questions require our careful consideration, profound analysis and further exploration in the light of our practice. The theme of achieving better economic results in all links of production, construction and circulation runs through the Marxist theory of reproduction and Comrade Chen Yun's economic works. Therefore, only by focusing on this aspect in studying economic laws and summing up experiences and lessons can we really make our study effective.

The 10 principles have concretized the policy of readjusting, restructuring, reorganizing and upgrading, which has been proved to be effective in practice since the third plenary session. They are, in reality, a systematic explanation and a scientific confirmation of the eight-character policy. The study of economic theory in the light of the 10 principles will deepen our understanding of this theory and will help us realistically sum up experiences and lessons in our work and in our localities and departments. Thus, a more solid ideological foundation will be laid for further implementing the party's eight-character policy.

The 10 principles embody the basic spirit of proceeding from China's realities in our socialist economic construction and establishing a new road to modernization suitable for our conditions, which was put forth in the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC." The "resolution" pointed out: "The prolonged 'leftist' mistakes we made in our economic work in the past consisted chiefly of departing from China's realities, trying to exceed our actual capabilities and ignoring both the economic returns of construction and management as well as the scientific confirmation of our economic plans, policies and measures, with their concomitants of colossal waste and losses." The aim of our study of economic theory is the mastery of economic knowledge and economic laws, and in the final analysis, is the establishment of a road of socialist construction suitable for China's realities and with a Chinese style. Proceeding from this, the 10 principles made a feasible change in the long-standing past practices, which were the result of the "leftist" ideology, and paved a new road for our economic development. Studying economic theory in the light of the 10 principles will deepen our understanding of China's realities and the law of our socialist economic construction, as well as our understanding of Marxist economic theory. Since the 10 principles for economic construction involve a number of economic problems, as well as economic and natural laws, they will give great impetus to our theoretical study, as our cadres, especially those in the economic departments, will have to study economic theory well. Many comrades have already realized this and a new campaign for studying theory has emerged in many places. We are sure that this campaign will develop vigorously, for it is a requirement of our socialist modernization and the demand of our times.

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HOW SHOULD WE LOOK AT THE STUDY OF ECONOMIC THEORY AT PRESENT?

Beijing RED FLAG in Chinese No 1, 1 Jan 82 pp 16-17

[Article by Su Xing [5685 2502]]

[Text] Since 1981, vast numbers of cadres, using Comrade Chen Yun's economic works as a basis, have been seriously studying socialist economic theory. As far as I know, many units, especially units engaged in financial and economic work, are very enthusiastic about the study and have learned a lot from it.

In the 1950's cadres also engaged in a large-scale study of economic theory. At that time, they mainly studied basic theoretical knowledge and tried to understand through the study the historical inevitability of socialism replacing capitalism and the socialist economic laws. This was in order to raise their consciousness in carrying out socialist transformation and planned economic construction. The study at that time left a very deep impression on us. Even now, whenever we talk about theoretical study, we always think that we learned the most at that time.

At present, we are carrying out our study under new historical conditions, which are quite different from those in the 1950's. Nevertheless, the urgency of our study is not less than that in those days. First, our country's socialist construction has traversed a course of nearly 30 years and has gained rich experiences. Some of these experiences are positive while others are negative. Yet they all need digesting and summing up. In the course of digesting and summing up these experiences, we can find the objective, and not fabricated, intrinsic laws and use them as the guide for our action. Second, after 1958, the leftist errors in the guiding ideology for economic work became more and more serious. Although corrections had been made from time to time, the problem was not thoroughly solved either in theory or in practice until the 3d Plenary Session of the 11th CCP Central Committee. It often happened that, at times, some tentative ideas in the works of Marx, Engels, Lenin and Stalin were misinterpreted or dogmatized in order to provide "theoretical bases" for the leftist errors. During the "Great Cultural Revolution," Lin Biao and the "gang of four" made use of this for sabotage activities and caused great confusion in theoretical work. Such confusion needs clarifying through theoretical study and through the work of bringing order out of chaos. Third, since the focus of our work was shifted to building socialist modernization at the 3d Plenary Session of the 11th CCP Central Committee, new situations and new problems have emerged one after another in the course of readjustment and restructuring. A good command of theory is also needed to study these new situations and new problems. Therefore, everybody needs to study economic theory.

Compared with the study in the 1950's, there is another difference in the current study. A number of cadres have already acquired knowledge of the basic theory of political economics through various study channels and they need not start from the very beginning (those without such knowledge must of course learn the basic theory first). This will help them better integrate theory with reality and better understand the laws of our country's economic construction through summing up experiences. Understanding economic laws does not merely mean memorizing a few formulas or learning some concepts by heart. More important is to study the forms of socialist economic laws manifested under our country's concrete conditions and to study how to determine policies and principles. In view of these requirements, nothing is more suitable than taking Comrade Chen Yun's economic works as the major topic for our study.

Comrade Chen Yun's economic works were not written as theoretical works. He proceeded from the reality of our country's socialist construction and put forth a series of views and suggestions in the light of issues affecting the overall situation. However, what he put forth is theory. For example: the planned economy is the main body and free production under the guidance of planning is the supplement; planned socialist economy means proper proportion; the scale of capital construction must be appropriate to the capabilities of financial and material resources; the increase in the people's purchasing power must be appropriate to the amount of consumer materials available; financial income and expenditure must be proportional to credit income and expenditure, and the former must be slightly more than the latter; annual plans must be made in such a way that they dovetail with those before and after them; and so on. All these are important theoretical matters and are applications and developments of basic Marxist principles on reproduction in the practice of our country's socialist construction. Therefore, we should never regard these works simply as articles or reports for solving problems in practical work but must study them in the way we study theory. During the Yanan rectification campaign, Comrade Mao Zedong explained what is meant by theory. He said, "There is only one kind of true theory in this world, theory that is drawn from objective reality and then verified by objective reality; nothing else is worthy of us calling it theory." I hold that Comrade Chen Yun's works are exactly this kind of theory.

Most of the works we are studying at present were written by Comrade Chen Yun at the end of the 1950's or at the beginning of the 1960's. After studying them, can we use them to solve economic problems in the 1980's? The answer is yes. First, the readjustment of the national economy which we are carrying out at present is, as far as its content is concerned, basically the same as that at the beginning of the 1960's. The views and suggestions put forth by Comrade Chen Yun in the light of the conditions at that time are also suited to the present situation. Second, since these views and suggestions are in conformity with objective laws, they can be used not only within a short period but also within a relatively long period. This means that we not only can use them today but also can continuously derive ideological strength from these works in building socialist modernization in the future. Finally, the scientific attitude and dialectical methods which Comrade Chen Yun persistently upheld are universally applicable in all our work, particularly in economic work, and they should all the more be seriously studied. Ideologically speaking, the reason why we suffered repeated setbacks in economic construction in the past is that we committed the mistakes of subjectivism, impetuosity and rashness and ran counter to the scientific attitude of seeking truth from facts and to the dialectic method. We should always bear this lesson in mind.

In studying economic theory, we should take Comrade Chen Yun's works as a basis. At the same time, we should also integrate the study of the 10 principles for economic construction put forth by Comrade Zhao Ziyang in the government work report he delivered at the 4th Session of the 5th NPC. We can also read some books on economics. For example, the book entitled "Studies on Problems of the Chinese Socialist Economy," written by Comrade Xue Muqiao, proceeds from our country's reality and probes into socialist economic laws. It can help us achieve a deeper understanding of Comrade Chen Yun's works. If possible, we can also read "Study Marx' Theory on Reproduction."

Not only should cadres engaged in financial and economic work study economic theory. Cadres doing other work should also study it, because the building of socialist modernizations will still be the focus of our work for a relatively long time to come. Economic construction is closely related to various trades and professions and is also related to individual life. If we do not learn a little economic theory, we will not be able to coordinate our work with the central task. During the revolutionary war period, nearly all cadres were concerned with and studied military affairs and almost everybody read Comrade Mao Zedong's military works because fighting was the central task in those days. At present, all trades and professions should be concerned with the economy as they were concerned with military affairs in the past. They should study a little economic theory according to their own conditions. This will be conducive to our making concerted efforts in satisfactorily building socialist modernization.

CSO: 4004/21

PUT AN END TO THE PRACTICE OF ALLOWING THEORETICAL STUDY TO TAKE ITS NATURAL COURSE

Beijing RED FLAG in Chinese No 1, 1 Jan 82 p 18

["Readers" forum article by Li Biyan [2621 4310 3508]]

[Text] To my knowledge, the practice of allowing theoretical study to take its natural course and to run slackly is prevalent among the incumbent cadres of some units. The main manifestations are as follows:

Lacking a study plan. On their own whim, some cadres choose to study something for a time and drop it at another time when their whim passes. They do not have a plan in mind about what to study. They study things that suit their taste but ignore things which are not to their taste. When their seniors come to inspect them, they convene an "emergency assembly" and fetch some documents, newspapers and magazines to study for the moment.

Lacking a theme for discussion. Very often, they spend much time studying their work and discussing their daily routine, without a central theme. Sometimes, because of digression, they cannot hit the "right path" even though they have a central subject.

Having an unsound system which nobody follows. During the study period, you turn up when he does not, or when he shows up, I do not. A member will decide at will on the number of days for study in a month, and on whether to conduct individual or collective study. And such a practice is called "flexibility."

Cadres' progress is not checked. Few people bother to know which comrades perform well and which do not. Nor do they bother to find out how they have studied or how much each of them has learned.

Why is there such a phenomenon? The reasons are complicated. However, the main reason is that our comrades' awareness of the importance of theoretical study varies. The reputation of theory was discredited by Lin Biao and the "gang of four" and has not been rehabilitated. For instance, some comrades still maintain that one cannot produce food or cotton only by theoretical study. What they mean is that theory cannot solve practical problems; "distant water cannot quench present thirst." Some comrades believe that theoretical study is the responsibility of the upper-level departments and the leading cadres, and that the lower-level departments are responsible for execution, not for theoretical study. Such blurred understanding has stifled, to various degrees, the zeal for and the interest in theoretical study. In particular, a few leading cadres often make leadership over daily routine diametrically opposed to leadership over theoretical study. They maintain that "the sky will not fall" even if theoretical study is "slowed down or put off for a while." They regard theoretical study as "a flexible assignment for a flexible target," and do not put it in the place it deserves. The practice of allowing theoretical study to take its natural course is extremely out of step with the construction work facing our party. We should not allow it to continue. Thus we suggest:

1. Promptly compile "a handbook for cadres," a textbook of political theory.

2. Establish a sound system of study. To ensure that theoretical study can be carried out normally, a discipline of study and a system of attendance checking, examination, awards and penalties should be established.

3. Enhance study efficiency by improving study methods. To set up junior, intermediate and senior classes for cadres in accordance with their levels of theoretical education, so that theoretical study suiting individual cadres can be organized.

4. Strengthen the ideology, organization and work of the teams of theoretical education, so that they can play a significant role in theoretical study.

5. Party organizations at all levels should earnestly strengthen the leadership over theoretical work. And this is the key. Comrades holding leading positions should take the lead to participate in theoretical study and set a fine example for others to follow. They have to comprehend, study and solve various problems arising from theoretical study promptly, to sum up seriously their experience and unceasingly dig deeper into theoretical study. We suggest that organization departments should take the cadres' performance in theoretical study into consideration when their proficiency is assessed.

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LEARN FROM THE WOMEN'S VOLLEYBALL TEAM AND WORK HARD

Beijing RED FLAG in Chinese No 1, 1 Jan 82 pp 19-22, 6

[Article by Rong Gaotang [2830 7559 2768]]

[Text] The victory won by the Chinese women's volleyball team in the third world cup championship has spurred patriotism on our physical culture front and the patriotism of people across the country and the will of people on various fronts.

Why has the victory evoked such wide repercussions? First, the team members have made history by gaining a major success in large-ball games for our country, won merit for the motherland, and realized the longstanding aspirations of leading veteran cadres and the broad masses of the people. Second, through television programs, broadcasts and news reports, the people of the whole country have been deeply impressed and enlightened by the determination and the stringent training of the team members. Third, the victory of the team has served to reflect the strong determination of the Chinese people in working hard to make their country strong and to boost the morale of the nation. The sportsmen of our country made good achievements in a series of major competitions last year and the people across the country were very happy to hear the good news that kept pouring in. People understand that a nation must not brood over the long period of past sufferings. On the contrary, it must pluck up its spirit, do a good job of realizing the modernization program and march forward with big strides.

The road taken by the women's volleyball team is arduous. Historically, I think the experiences of the team can be summarized in the following eight points.

1. Have Ideals and Aspirations for Scaling the World's Heights

Throughout its history, our party has always educated the sportsmen of our country to cherish high ideals and aspirations and dare to scale heights so as to win merit for the motherland. This education has become the definite goal for our struggles and is a glorious tradition.

The attitude taken by a collective or by an individual toward their tasks is fundamentally related to whether or not they make progress. Different ideals and goals will consequently be accompanied by different degress of broadness in the field of vision and by different efforts. Following the world championship won by our table tennis team in 1961, Comrade He Long demanded that we also win championships in large-ball games. In 1964, Comrade Zhou Enlai invited Mr Omatsu, Japanese volleyball coach, to help our country train volleyball players and give demonstrations in Shanghai. Comrade He Long also put forth the slogan of the "three fearlessnesses and five up-to-the-mark's," which means fearing neither hardship, fatigue nor injury and being up to the mark in ideology, skills, physical condition, training and competition. All these are aimed at winning world championships. It was a pity that while this goal was yet to be realized, the women's volleyball team slid from sixth in the world to 14th during the "Great Cultural Revolution."

That the team was able to win the world championship is inevitably linked to certain social and historical conditions. If the team members' ideals of winning world championships were still considered today as displaying the champion mentality and criticized as revisionism, the players would hardly have been able to win the championship just by relying on their own small number. The team has been able to take a healthy road only under the conditions of the new historical period in which the party has restored order, emancipated thinking, advocated the work style of seeking truth from facts and educated sportsmen to win merit for the motherland.

Over the past few years, the members of the women's volleyball team have been dreaming of the situation in which the national flag is hoisted, the national anthem is played and they receive gold medals. In addition, they regarded sparing no efforts for their motherland as their greatest happiness. The team ranked fourth in the second world volleyball championship in 1977, and team member Cao Huiying received the blocking net medal, courage medal and best sportsman medal. But she said: "Even if I received 100 medals, it could not compare with winning a championship for the motherland." The team defeated the previous Olympic champion, the Japanese team, and the world's fourth-ranked team, the North Koreans, in the second Asian volleyball championship in 1979 and consequently won the championship. This victory inspired the patriotic feelings of compatriots in Hong Kong and Macao and the broad masses of people at home. People said: "Volleyball fans love China all the more." Team member Chen Yaqiong was asked by her family in Hong Kong to stay there, but she said: "My cause is in the motherland."

Volleyball is a sport that is needed by the motherland, and many of the players have contributed their youth and even life to promoting the sports. Team coach Ma Zhanyuan was persecuted during the "Great Cultural Revolution" and his parents in Canada asked him to go there to inherit their property. But he said with determination: "I'm a communist, and I can in no way be separated from either the socialist motherland or the volleyball, which I like so much. I've not yet completed the tasks assigned me by Comrade He Long!" He devoted his life to volleyball, right up to the end. A player who was critically ill asked her mother to help her dress her in red sportswear for her passing away. A coach who was suffering from heart attack continued his coaching during a competition, and died in carrying out his duty. His family demanded just one thing: "Let him take a ball with him!" And a white ball became a precious burial item for this loyal fighter. With all these in mind, we can understand more profoundly the significance of the words spoken by the girls of the team with regard to the cause of volleyball: "Youth is precious, but the cause is more precious," and the fact is that the cause of sports is a revolutionary cause for which sportsmen have been training hard and sacrificing themselves one after another and from generation to generation.

2. It Is Imperative To Be Courageous and Confident in Tackling Any Difficulty

It is by no means an easy task to the championship of the world, which is so vast. Our women's volleyball team has experienced unimaginable difficulties in its struggles. Neither the courage nor the confidence of the members of the team has ever been eliminated in their road of advance. They are confident that, with their socialist motherland and with the party's leadership and the support of the people, their cause will surely win victory through their efforts, generation after generation. They understand that the road to championship is tortuous and that victory belongs to those who march forward courageously and stubbornly. They postponed falling in love and marriage, gave up opportunities for family reunion, rest and recreation and endured sickness, fatigue, injuries and pain. In short, they are "carrying out their cause at the cost of their life." A member of the team, Lang Ring, said: "If we want to score achievements that outstrip others, we have to pay the highest price."

In the face of strong rivals in the world, the Chinese women's volleyball team has followed Comrade Mao Zedong's thinking on strategically belittling difficulties and tactically taking them seriously. The team dares to win victory and is good at competing. A team coach said: "My heart will remain restless until the team wins the championship cup." The members of the team have always tried to find out their own shortcomings and the superior points of their opponents and spared no efforts to win.

The ideological basis for the members of the team in surmounting difficulties stems from their high responsibility, and their material basis for overcoming difficulties comes from their daily hard training. The team has been able to defeat so many strong rivals and win the world championship very largely because of the ideological guarantee and the skills and tactics displayed by the players during the matches. The team analyzed the strength and inferior and superior points of themselves and their rivals. Each player is required to talk about her own thinking and to grasp the skills needed for her to deal with her opponent. The players of the team won all of their seven matches in the third world championship and this was made possible by relying on the results of the protracted training in ideology, skills, tactics and physical training. The victory can in no way be easily achieved in one move.

3. It Is Imperative To Have Correct Guiding Ideology in Training

The skills in world sports have been developing rapidly. Strategically, attack and defense promote each other while technique and skills condition each other. The emergence of new technique enriches strategy and the emergence of new strategy, technique and methods of training only comes about in competition; they can in no way remain unchanged. Therefore, it is necessary to constantly innovate, to proceed from one's own specific conditions and to learn from and use new things in a predicted and planned way.

Volleyball technique is constantly developing. The Chinese national women's volleyball team pays much attention to studying the situation and trends of strong teams in the world, analyzing the advantages and disadvantages of various techniques and absorbing the advantages. Proceeding from actual conditions, the team has also spared no efforts to develop its own characteristics and has taken a road characterized by its own particular technique.

Any sport in which country has done well has its own correct guiding ideology for training. Many sports are still lagging behind because there are so many contradictory views that it is difficult to decide who is right. We have suffered much from such situations. The Chinese women's volleyball team has maintained its feature of fast attack, constantly developed skillful techniques, and absorbed the defense technique of the Japanese team and the technique popular in Europe. The comments made by world volleyball circles pointed out that the road taken by China for developing technique is correct.

Under the guidance of the correct guiding ideology in training, the members of the team are not content with their current standard. They have learned the technique of cushioning the ball from the Japanese team, to enrich their own technique. They have also created some technique based on their own feature of fast attack. They are always required to think hard, and spare no efforts to make one new breakthrough after another. All these things are invaluable.

4. It Is Imperative To Carry Out Strict and Hard Training

Diligent learning and hard training are the basic practical activities of the members of the team. They understand that without hard training it is impossible for them to master good technique. The reason why they have been able to complete technical movements and to coordinate technically in competitions is in fact the result of their accumulated experiences and hard training. The sportsground is the place where they carry out most arduous struggles; it is also where their youth is at its prime. Team member Chen Zhaodi said: "Some people spent their youth amid flowers and under the moonlight, while ours is spent amid the song of stress and tension."

The members of the team have formed a good tradition of hard training. The late Premier Zhou Enlai watched them training in 1964 and encouraged them to "learn from and overtake Japan." Many people worried whether the members of the team could stand such arduous training. Yet they have been able to persist in such training, which can be said to be unprecedented in the world, and consequently, they have shown the way for the sportsmen of the whole country.

In order to meet the needs in competition, they carry out arduous, difficult and strict scientific training, while the volume of their daily training surpasses or nears the intensity of a major international competition. Such training is a serious test of will and physical conditions. Yet the members of the team understand that they are carrying out such training for the sake of the prestige of their motherland, for realizing the victory yearned for by the broad masses of the people and for making Overseas Chinese feel proud of the Chinese people, who have stood up; consequently they are able to stand up to all difficulties. Thus, through years of hard tempering of their will, physical conditions and skills, they are becoming stronger.

Their training is stringent yet scientific. Their coaches set strict, impartial and incorruptible demands, but do so in the right way, not willfully and recklessly, and show them the results of their training. Consequently, they are convinced of the value of such training and willing to persist, no matter how strenuous it is.

The players were able to remain calm and display their skills well during the third world championship thanks to the pressure imposed on them in their daily training. They competed very hard in the last 2 days. In the last day but 1, they defeated the U.S. team 3-2. International news services commented: "The physical condition of the Chinese players will be an obstacle to victory." But the fact was that they did not wear themselves out. Amid roars and shouts, they competed calmly and in the end overpowered their rivals and won complete victory.

5. It Is Imperative To Have a Good Traditional Style

The Chinese women's volleyball team represents a good collective with good traditional style. Its work style represents a comprehensive manifestation of people's thinking and deeds; it is invisible strength. A good work style is an important guarantee for good training and competition. The team pays much attention to education in ideological style and has maintained its good style generation after generation.

Members of the team often help each other in such matters as how to correctly understand the relationship between ideological style and technique. New members become acquainted with the devotion and the hard struggles of players of the older generations. The coaches talk about their own experiences and lessons in an effort to teach the players to understand the importance of ideological style. When a problem crops up within the team, the leadership applies this problem to carry out collective education to help all the players increase their understanding and draw a lesson from the problem.

The ideological style of the Chinese women's volleyball team is to unite for winning still higher standard; it is strict and conscientious. The girls of the team intentionally temper their will under difficult conditions. The team visited the United States in March 1980. They flew for 24 hours and changed planes 4 times; they were sick on arrival but continued their training. In 1979, the team visited Japan and lost the last game 2-3 after leading earlier. The reason for the defeat of the team was that the main attackers did not coordinate well. The team took this as an example to teach the players and help them understand the importance of unity. The team is characterized by its endurance of hardship and difficulties in training while its style in competition is one of daring to fight hard. All the players have vigor to overpower their rivals and they get into active positions to attack. They do not relax their efforts when they are leading, do not lose confidence when they are lagging behind, do not hesitate at critical moments and compete doggedly till the last minute. During its match with the Japanese team in the third world championship, the Chinese team was 14-15 down in the 5th game. A Chinese player, Chen Yaqiong, saved strong attacking ball and organized a new attack. The team won the game 17-15. Another player, Chen Zhaodi, was suffering again from an injury to her stomach; she could hardly run and was criticized by the coach. In order not to influence the coach in making a decision, she did not say a word; she did warming-up exercises with tears in her eyes. She played stubbornly until her team won the cup. She was helped from the court and carried on people's backs to the Chinese Embassy and to the bus and plane. All these things demonstrate the doggedness of the players. The life of these girls is alert and lively. They can correctly handle honor and marriage, and they do not pursue vulgar tastes.

The main measure taken by the team in fostering good style is to combine ideological education with strengthening management and setting up responsibility systems, with cadres and party members taking the lead. The party group in the team has persisted in holding meeting during the most critical moments of competitions since the team joined the world championship in 1978. Key party members are responsible for important tasks, and they first of all seek the reasons for problems within themselves. All these things have ensured the formation of a good style.

6. Pay Attention to Selecting and Nurturing Talent

Another reason why the team has been able to make rapid progress and become strong is that it has concentrated the finest talents across the country. Selection is the premise for nurturing talent, and with rational selection, the nurturing and training of a player will produce twice the result with half the effort.

Volleyball is an all-round game of body height, physique, technique, tactics and determination. The Chinese women's team began to pay attention to the height of its members, and now their average height is among the tallest in the world. In addition, training is carried out in a way so that each player is able to display her advantages and make up for her shortcomings; requirements are set according to the specific conditions of each player. The coaches know the players well enough to be able to assign them tasks commensurate with their abilities. Thus, as each player is able to display her strong points, the whole team has a balanced strength.

The players on the team pay attention to selecting talent in competitions, and test and examine the standard of each player in will, physique and technique through acute competition. But the selection cannot be made just through selective competitions; it must be made through repeated study and investigation of a player, from her comprehensive behavior and deeds, from predictions of her progress, from widely soliciting opinions and through full discussion. Particular treatment is given to a particular talent so as to ensure that the talent can be concentrated effectively to display its advantage in mastering the most advanced techniques.

The team is bold in training new members by combining them with experienced ones. Veteran players are willing to help their new colleagues, while the latter are willing to become good successors and inherit the experiences of their predecessors. For the sake of the common goal, veteran players are happy to see that new players have been able to catch up with or surpass them, and they are not jealous of such progress. A member of the team, Yang Xi, was still in her prime technically during the eighth Asian games in 1976, and was more experienced than her colleague Lang Ping. But in order to further new players and for the interest of the whole team, she happily gave up her place to become a reserve player.

7. It Is Imperative To Have a Strong and United Leading Group

The cadres and coaches of the Chinese women's volleyball team have formed themselves into an elite working team with close coordination. They all treasure their cause, help and support each other, exchange different views but take unified action in their tasks, and "prop up" rather than counteract each other. When Yuan Weiming became a coach of the team, team coach Deng Ruozeng asked to become his assistant. Deng has more experience than Yuan, yet he wanted to take the more arduous job so that Yuan would be able to concentrate his efforts on improving the standard of the whole team.

The cadres and coaches demand that they themselves master the knowledge of their profession, and get to know the development of volleyball technique in the world and the strength of their own team and other teams. Consequently, they are able to carry out training, assign players and guide competitions with a fairly good idea, and cope with difficulties.

They are able to set examples through their own deeds, set strict demands on themselves; with wholehearted devotion to the team, they sweat more and think more than the players. They often put forward new problems and find good methods to solve them in an effort to make more progress. They are bold in management, and they manage well. They set even stricter demands on key players; they do not coax or flatter them. Thus, sharing weal and woe, the cadres, coaches and players of the team train strictly. They do not criticize others at will. They are concerned for and trust each other and cooperate happily.

They carry out ideological work even during training and competition and teach players to correctly view hardships, difficulties, victory and defeat. Thanks to such education the players are highly conscious when carrying out dogged training and they are happy to face difficulties. They are able to overcome various interferences during competition and concentrate their efforts. They are not arrogant in victory and they do not lose heart in face of a setback.

8. Volleyball Circles Across the Country Should Unite With One Mind and Coordinate Closely

The team's victory was the collective result of volleyball circles throughout the country in mastering advanced techniques. Many strong teams in the country joined in collective winter training for 9 successive years to help improve the standard of the national team and their own teams. The members of these teams did not have family reunions for 7 or 8 years. Many teams across the country sent their own best players to the national team. The PLA volleyball team sent four or five players and coaches, and the Sichuan team sent three key players. Consequently, these teams were themselves in difficulties for many years. The Jiangsu team sent its coach, Yuan Weiming, and three second-passers and assigned four key men players and one international umpire to help the national team; consequently, the team lost its chance of winning the national championship. Nonprofessional teams also sent their key players to the national team as reserve players. Heilongjiang Province recently sent eight of its best players to be reserves of the national team. The measures taken by all these teams merit our respect.

Basically speaking, the experiences of the Chinese national women's team are the results of the concern of the party leadership, the support of the people, the superiority of the socialist system and the efforts of the players themselves. Without the conditions and situation that appeared following the 3d Plenary Session of the 11th CCP Central Committee, the players would not have been able to win no matter how hard they worked. On the other hand, we cannot just pay attention to conditions and neglect objective efforts. The victory was also the result of the fact that the ranks of sportsmen across the country learned from the experiences of fraternal units, such as the national table tennis team and mountaineering team. The experience of the women's volleyball team is the common treasure of our physical cultural front.

The players on the team have done a good job, but this does not mean that there is nothing left to be desired. In other words, with the development of their cause, they face new problems. First, their position has changed. Strong teams in the world will no doubt study the Chinese team in an effort to catch up with or surpass it. Our team will become the main target in the next championship. Many teams in the world now have almost the same strength, while some have better conditions than our team in some aspects and might well make greater progress. Therefore, we have heavier training tasks. Second, the party and the people have given us very high prestige and they have set higher demands. We must, therefore, guard against being arrogant and finicky and carry out more ideological and political work.

There is no end to the development of a cause. The Chinese women's volleyball team must learn from the constant vigor of the table tennis team. We hope that the women's team will be able, in the new situation, to make new progress and score greater achievements.

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AN IDEOLOGICAL TREASURE FROM THE UNITED FRONT--STUDYING THE EXPOSITIONS CONCERNING THE UNITED FRONT CONTAINED IN VOLUME 1 OF THE 'SELECTED WORKS OF ZHOU ENLAI'

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[Article by Yang Chao [2799 6389]]

[Text] Comrade Zhou Enlai was a great Marxist and proletarian revolutionary as well as a long-tested outstanding leader of the CCP. During the protracted revolutionary struggle in our country, he worked with all-out efforts and showed his outstanding talent, doing immortal meritorious service for the cause of the party and the people. The important works on political, military, economic and cultural affairs during the period of the democratic revolution in our country included in volume 1 of the "Selected Works of Zhou Enlai" (hereafter referred to as "Selected Works") were valuable documents summing up the successful experiences of the Chinese revolution, and they made an indelible contribution to the formation and development of Mao Zedong Thought.

During the period of the new democratic revolution, Comrade Zhou Enlai persisted in integrating the universally applicable principles of Marxism-Leninism with the concrete practice in the Chinese revolution and gave many incisive expositions on the questions regarding the united front. In his three articles, "On the Relations Between the CCP and the KMT From 1924 to 1926," "On the Party Sixth Congress" and "On the United Front," which are included in volume 1 of the "Selected Works," he summed up and discussed systematically, comprehensively and profoundly the party's work on the united front during the new democratic revolution. Seriously studying these articles is of vital significance in studying the historical development of the united front, summing up the experience and lessons on the united front, and guiding our work in the united front during the new period.

I

The united front was one of the three magic weapons by means of which the Chinese revolution triumphed. Fundamentally speaking, the great importance it had and the important role it played were determined by the nature of the Chinese society and the situation of class relations. Old China was a semicolonial and semifeudal country in which the imperialists, the landlord class and the bureaucratic bourgeoisie were the objects of the revolution. They acted in collusion, forming a tremendous reactionary force. At the same time, old China was a society which was small at both ends and big in the middle, that is, the proletariat, the landlord class and the big bourgeoisie accounted for the minority while the peasants, the urban petty bourgeoisie and the national bourgeoisie accounted for the overwhelming majority of the country's population. For this reason, in order to defeat the three tremendously powerful enemies and triumph in the Chinese revolution, the proletariat had to unite with all revolutionary classes and strata to form a revolutionary united front under all circumstances. To form this united front, it had to appropriately analyze and appraise the conditions of the classes in Chinese society and distinguish between friends and enemies. Applying the dialectical and historical materialist viewpoint, Comrade Zhou Enlai incisively analyzed and correctly elaborated on these conditions. He said: "The new democratic united front consists of the proletariat, the peasantry, the petty bourgeoisie and the liberal bourgeoisie, and at times even includes some big landlords and members of the big bourgeoisie. So our ranks cover a broad spectrum." (p 211) Although the proletariat is "small in terms of numbers and strength," "its political consciousness is high and its ability great" and it "is the backbone of our forces." (p 211) "The peasantry, which makes up the bulk of these forces," is "the most dependable ally" of the proletariat. (p 211) "The urban petty bourgeoisie is also a basic force in the ranks of the new democratic revolution." (p 212) The liberal bourgeoisie (that is, the national bourgeoisie) on the one hand maintains ties with feudalism and imperialism and on the other hand is oppressed and fettered by them, so that it has a dual character, that is, it shows a tendency toward compromise and a tendency toward revolution. "The proletariat should win it over, unite with it, or at least neutralize it." (p 212) The various groups of the big bourgeoisie receive support from different imperialist blocs. When the spearhead of revolution is pointed at a certain imperialist bloc, the groups of the big bourgeoisie, which are related with other imperialist blocs, might join in the struggle against this bloc. The proletariat might form a united front with these groups of the big bourgeoisie in order to weaken the enemy force and strengthen its own reserve. However, "reaction is deeply ingrained in them. So, in cooperating with them, we must be constantly on our guard and oppose their reactionary tendencies." (p 213) These analyses and elaborations made by Comrade Zhou Enlai were of vital significance in guiding united front work during the new democratic revolution.

Leftist and rightist errors have occurred many times in the history of the Chinese revolution. These errors were expressed in different forms. An analysis of the class relations showed that people who made these errors did not proceed from the actual conditions in Chinese society and could not grasp the changes in the class relations in the course of development of the actual conditions, so that these errors impeded the development of the revolutionary united front. People who made rightist errors saw only the tendencies of the national bourgeoisie toward the revolution but did not see its tendencies toward compromise. They saw only the possibility of some groups of the big landlords and big bourgeoisie joining in the united front under certain historical conditions and forgot their reactionary character. They even regarded the programs, policies and ideologies of the proletariat and the bourgeoisie as the same and ignored the essential difference between the proletariat and the bourgeoisie. Consequently, they pushed the capitulationist policy in the united front. People who made leftist mistakes equated the Chinese bourgeoisie with the bourgeoisie of the capitalist countries, overlooked the possibility of the national bourgeoisie participating in revolutionary struggle in a certain period of time and to a certain degree, and even mistook the petty bourgeoisie as an enemy of the revolution and arrived at "closed-doorism," which caused the Chinese revolution grave losses and serious defeats. "The right deviationists give away the whole army, while the 'left' deviationists push it away." (p 220) With this remark, Comrade Zhou Enlai pointed out sharply the consequences and essence of these two wrong policies.

The new democratic revolution in our country had a very long course of development. Comrade Zhou Enlai said: "Owing to frequent changes in the relations between the enemy and ourselves and in the conflicting camps, as well as to constant change in the overall situation," "the form and nature of the united front varied" in different periods of time. (p 207) This was another correct thesis formulated by him by summing up the development of the united front in our country.

Comrade Zhou Enlai pointed out: "We had an anti-imperialist and antifeudal national united front" during the first civil revolutionary war period. (p 207) At that time, the party's united front policy quickly brought about an upsurge in the revolution, and the workers' and peasants' movement, which was aimed at fighting imperialism and feudalism, developed vigorously. Under these circumstances, our party helped the KMT establish the national revolutionary army, which triumphantly launched the Northern Expedition and defeated the northern warlords. Later, because Chiang Kai-shek betrayed the revolution and Chen Duxiu exercised rightist capitulationist leadership in the party, this great revolution ended in failure and the united front broke up.

With the great revolution ending in failure, the new KMT warlords represented by Chiang Kai-shek ruled the country, and the national bourgeoisie chimed in with the counterrevolution. Only the proletariat, the peasantry and the petty bourgeoisie (including the revolutionary intellectuals) remained in the revolutionary camp. The Chinese revolution entered a new period. The united front in that period was a worker-peasant alliance, which Comrade Zhou Enlai called "a democratic worker-peasant national united front against feudal oppression and KMT rule." (p 207) After the "18 September" incident in 1931, because Japanese imperialism stepped up its armed aggression for the purpose of subjugating the whole of China, the contradiction between the Chinese nation and Japanese imperialism became the principal contradiction and that between different classes in China became a secondary one. Under these circumstances, our party suggested "stopping the civil war and uniting all forces to resist the Japanese." It drew up the strategy and policy of building an anti-Japanese national united front. The peaceful settlement of the subsequent "Xian incident" accelerated the realization of the second KMT-CCP cooperation and the formation of the anti-Japanese national united front. Owing to the correct line and policies adopted by our party, the anti-Japanese national united front was maintained and the people's forces grew in number and strength throughout the period of the war of resistance against Japan.

New changes took place in the relations between classes in China after victory in the war of resistance against Japan. With the support of U.S. imperialism, the KMT led by Chiang Kai-shek, which had shown itself to be a diehard force in the anti-Japanese national united front, declared a full-scale war on the CCP and the people in July 1946. The second KMT-CCP cooperation broke down. At that time, our party led and developed the people's democratic united front, calling on all oppressed classes, democratic parties, mass organizations and minority nationalities throughout the country and patriotic Overseas Chinese as well as patriots in various other fields to unite to topple Chiang Kai-shek and liberate China. As the people's war of liberation developed triumphantly, the people's democratic united front grew in scope and became more consolidated.

Reviewing the history of development of the united front, Comrade Zhou Enlai further pointed out: The changes we have encountered in the united front have been so frequent, so great and so complicated that we must be clear-headed and be able to investigate problems and study them analytically, so that we shall be "capable of correctly understanding the changing contradictions in the course of history, identifying and analyzing the enemy at all times and setting forth a correct policy for defeating him." (p 209) He repeatedly stressed that we should grasp the different characteristics in the united front in different periods of time; we should neither take friends as enemies nor enemies as friends; we should not take as enemies all who were enemies yesterday but have become friends today, and should not consider as friends all who were friends yesterday but have become enemies today. His thesis in this respect incisively summed up both the positive and negative experiences and lessons and elaborated on the theory of the united front from the high plane of distinguishing between friends and enemies.

II

The question of the united front is a question of how the proletariat should organize and lead its allies in the revolutionary struggle.

Because of the above-mentioned characteristics and conditions existing in Chinese society and in class relations, the proletariat first of all had to form a close alliance with the peasantry. Summing up the experience of the Chinese revolution, Comrade Zhou Enlai pointed out: "It is necessary in the new democratic revolution to rely on the most dependable ally--the peasantry--which makes up the bulk of our forces and, as Comrade Mao Zedong has put it, constitutes four out of five fingers." (p 211) By winning over this ally, the proletariat united with the majority of the Chinese people, thereby laying a firm foundation for the revolutionary united front. Comrade Zhou Enlai profoundly criticized the "left" and right deviationist mistakes in regard to this question. He pointed out: "It is a 'left' deviationist mistake to rely not on the peasants but only on the proletariat, expecting it to charge forward alone. The result is isolation. It is a right deviationist mistake to rely on the bourgeoisie, especially the big bourgeoisie." He also arrived at the correct conclusion that "with the peasants we can both advance and retreat; without them we can advance only in small numbers and in isolation, and there is no place to retreat to." (p 211)

The proletariat's dependable ally also consisted of intellectuals, handicraftsmen, professionals and small traders, who together formed the petty bourgeoisie. Conditioned by their economic status, they might vacillate to a certain extent in the revolutionary struggle but would join in and support the revolution on the whole. They were therefore an excellent ally of the proletariat. Comrade Zhou Enlai paid close attention to the situation of the petty bourgeoisie and the role it played in the united front. He emphatically pointed out in many of his articles: "The democratic dictatorship of the workers and peasants does not exclude, but definitely includes, the petty bourgeoisie" (p 160) and "we are strong only when the workers, peasants and petty bourgeoisie stand united." (p 212)

In order to strengthen itself as much as possible and to form the broadest possible united front, the proletariat, on the basis of establishing the worker-peasant alliance, had to strive to win over the middle forces between the enemy and ourselves, unite with all people who could be united, and mobilize all positive factors to form an alliance of all working people with all other people who could be united. This alliance chiefly included the national bourgeoisie and, in given historical conditions, also included the enlightened gentry and the regional power groups who had split with the landlord class. It even included some groups of the big landlords and big bourgeoisie. Comrade Zhou Enlai said: "Some people say we only want to win the allegiance of the peasants and the petty bourgeoisie. That is not true. We also want to win the allegiance of the liberal bourgeoisie." (p 217) Accordingly, while working in Chongqing, he meticulously did a great deal of work on the middle forces, giving democratic parties active support, maintaining extensive contacts with industrialists, businessmen, intellectuals and representatives of various other circles and making strenuous efforts to win them over to the side of the people. At the same time, he paid close attention to showing solicitude politically, ideologically and in everyday life for people of all walks of life who sympathized with and supported the cause of people's liberation. He said: "From now on, we must see to it that the safety and health of our progressive friends are ensured.... We must give them more material help and economic assistance and show constant solicitude for them politically." (p 238) Shown concern in every possible way by him, many friends outside the party rallied more closely around the party and made useful contributions to fighting the common enemy.

In short, Comrade Zhou Enlai not only showed theoretically the necessity and importance of winning over the middle forces, but also made gigantic efforts in practice to win over these forces, thereby making a valuable contribution to developing and strengthening the revolutionary united front.

III

Upholding leadership by the party is a basic principle in the united front. Each of the classes, strata and groups within the united front during the new democratic revolution had "its own aims" and "its own interests to pursue" (p 1) and "wanted the united front to be led according to its own ideas." (p 216) For this reason, the struggle for leadership was inevitably the focus of the contradictions and struggles within the united front. Comrade Zhou Enlai pointed out: "The proletariat, being more progressive than the other classes, should lead the others and be what Comrade Mao Zedong calls 'the commanding officer.' But the proletariat does not gain the position of command automatically...because others are contending with the proletariat and the Communist Party for leadership--not only the big bourgeoisie but also the liberal bourgeoisie and the petty bourgeoisie.... But the main force contending with us for leadership is the KMT, the ruling group representing the big landlords and the big bourgeoisie. Therefore, it is mainly the KMT and the CCP which struggle with each other for the leadership of the united front. The big bourgeoisie is our principal opponent." (p 216) In order to win victory in the new democratic revolution, our party had to adhere to the principle of independence, uphold leadership in the united front and carry out complicated, acute struggle against the KMT which represented the big landlords and the big bourgeoisie.

The KMT, the ruling group representing the big landlords and the big bourgeoisie, held the political and military power and the economic lifelines of the state, and reaction was deeply ingrained in it. In the course of forming the united front with the proletariat, therefore, it constantly and firmly opposed the ideological, political and organizational development of the proletariat and its political party and strove to seize leadership in the united front and wipe out the forces of the proletariat and its political party. Entrusted by the party Central Committee, Comrade Zhou Enlai constantly upheld the party's leadership in the united front during his long-term united front work inside the KMT. In his article entitled "The CCP in the Present Political Struggle" written in December 1926, he pointed out in unequivocal terms that, in cooperating with the KMT, the proletariat and the CCP must be independent politically and organizationally and must also firmly grasp leadership and uphold the correct ideas of supporting the left and attacking the right. He said: The KMT-CCP cooperation "does not mean that the CCP has lost its identity and should no longer have any independent views.... The communists, while supporting the KMT and the national government, should nevertheless put forward the political and economic demands of the workers and peasants, within the limits of democracy, and press the KMT government to fulfill them one after another." (p 3) He publicly exposed the counterrevolutionary activities of the KMT right wing. He scathingly denounced: They "have obviously been active in opposing the communists, the Soviet Union, and the workers and peasants and in collaborating with the forces of tradition." (pp 3-4) He clearly announced: "Faced with diverse tendencies, the communists have consistently joined forces with the left wing in waging both ideological and practical struggles against the right." (p 4) With the revolutionary movement developing rapidly and the contention between the bourgeoisie and the proletariat for leadership in the united front sharpening with each passing day, Comrade Zhou Enlai led the revolutionary students' organization of the Whampoa Military Academy in actively propagating the revolutionary theory and the party's policy regarding the united front and in uniting with all revolutionary forces to wage an acute struggle against the KMT right wing. However, at that time, Chen Duxiu exercised right capitulationist leadership, favored uniting with the bourgeoisie instead of fighting against it, and made three big concessions organizationally, militarily and politically to the KMT right wing. He also lacked a clear-cut policy toward Chiang Kai-shek, a counterrevolutionary careerist. Subsequently, Chiang Kai-shek launched the "12 April" 1927 coup d'etat in Shanghai, publicly betraying the revolution. This caused the KMT and the CCP to break with each other and the united front to break up. Reviewing and summing up this part of history, Comrade Zhou Enlai incisively criticized Chen Duxiu and others for their erroneous right-deviationist view that "a bourgeois revolution had to be led by the bourgeoisie and not by the proletariat, which should only assist the bourgeoisie; the proletariat should 'carry the sedan chair' for the bourgeoisie." (p 158) He pointed out that an important reason for the defeat of the great revolution was that Chen Duxiu and others abandoned the party's leadership in the united front and its struggle against the KMT right wing.

After the "18 September" incident, Japanese imperialism stepped up its aggression against China. Disregarding the serious national crisis, Chiang Kai-shek and the KMT persisted in the policy of "internal pacification before resistance to foreign invasion," thereby "precipitating the Xian incident" in December 1936. (pp 192-193) The CCP Central Committee headed by Comrade Mao Zedong correctly analyzed the situation and made the policy decision of peacefully solving the "Xian incident" and compelling Chiang Kai-shek to resist the Japanese. It also sent Comrade Zhou Enlai as its plenipotentiary representative to negotiate with Chiang Kai-shek in Xian. In the negotiations, Comrade Zhou Enlai firmly carried out the party Central Committee's policy and compelled Chiang Kai-shek to accept our party's proposal for stopping the civil war and uniting to resist the Japanese, thereby promoting the establishment of the anti-Japanese national united front. Throughout the great revolution and the second revolutionary civil war, our party saw Chiang Kai-shek's reactionary nature more clearly. Commenting on the point that Chiang Kai-shek and the KMT were compelled to join in the anti-Japanese national united front, Comrade Zhou Enlai said: "Chiang Kai-shek and his group, who represent a section of the big landlords and the big bourgeoisie, took part in armed resistance, but they were still essentially reactionary." (p 209) At that time, as our party's permanent representative in Chongqing where the KMT government was situated, he faced danger fearlessly, firmly carried out the party Central Committee's principles and policies, and fought tit for tat against Chiang Kai-shek's and the KMT's reactionary behavior of passively taking part in armed resistance and actively opposing the communists.

After the Japanese surrender, the KMT reactionaries, for the purpose of seizing the fruits of victory of the armed resistance against the Japanese and with the support of U.S. imperialism, played the trick of "peace talks" while preparing for a full-scale civil war. To realize the people's wishes and expose Chiang Kai-shek's true features in the course of struggle, Comrade Zhou Enlai accompanied Comrade Mao Zedong to negotiations with Chiang Kai-shek in Chongqing in August 1945. Afterward, he led our party's delegation to a political consultative conference attended by various other parties. As a result of the intelligent and firm struggle launched by Comrade Zhou Enlai and others, the KMT was compelled to accept the plan and agreement that was favorable to the people. Chiang Kai-shek and the KMT flagrantly scrapped this agreement soon afterward. Still, Comrade Zhou Enlai's militant spirit of upholding the principle of independence and firmly defending the revolutionary forces deserves to be respected and remembered forever.

Comrade Zhou Enlai made full expositions on the united front. He summed up his experiences and theories on the united front (which are carried in volume 1 of the "Selected Works") during the period of the new democratic revolution. However, his basic ideas and principles concerning the united front are useful to us as long-term guidance. Since liberation, we have united with the revolutionary classes and strata and all patriotic democrats, continuously developed and strengthened the revolutionary united front under the party's leadership and on the basis of the worker-peasant alliance, and won great victories in our country's socialist revolution and construction. Our country has now entered a new historical period. In order to build China into a powerful modern socialist country, to accomplish the great cause of returning Taiwan to the embrace of the motherland and unifying the motherland, to oppose hegemonism in world affairs and to defend world peace, we must still unite with all forces which can be united, and fully arouse all positive factors to develop and strengthen the revolutionary patriotic united front. In the new historical period, therefore, the united front remains an important magic weapon which should be strengthened instead of being weakened. We must go further to reeducate all party members on the party's policy regarding the united front and wipe out the ideological influence of the Lin Biao and Jiang Qing counterrevolutionary cliques, so that the party's united front work can better accomplish the general tasks during the new period.

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ETERNAL GLORY TO A MAN WHO WORKED FOR THE PARTY ALL HIS LIFE--IN MEMORY OF COMRADE DENG ZIHUI

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[Article by Liu Ruilong [0491 3843 7893]]

[Text] Comrade Deng Zihui was one of the party's outstanding leaders of the peasant movement. During the agrarian revolution, he was one of the founders of the western Fujian revolutionary base. During the war of resistance against Japan, he was one of the key leaders of the northern Jiangsu-central China revolutionary base and the New Fourth Army. After liberation, he was a brilliant leader and organizer of the cause of China's agricultural collectivization. Whether in the stage of the new democratic revolution or in the stage of socialist revolution and socialist construction, he made important contributions to the party and the people, devoted his lifetime energies to the revolutionary cause, and was always cherished and held in esteem by the people.

Comrade Zihui and I worked together, at different times, for a total of 16 years. Nine years have elapsed since he passed away. I deeply cherish the memory of Comrade Deng Zihui with high esteem.

I

It was in May 1941 that I met Comrade Deng Zihui for the first time. He was first entrusted by the Central China Bureau of the CCP Central Committee and the headquarters of the New Fourth Army to inspect northern Jiangsu Province. Later the CCP Central Committee decided that he should stay there and be political instructor of the 4th Division and secretary of the district CCP committee. It was also at that time that I was recalled to work there. Before I met him, I had heard that, together with Comrade Chang Dingcheng and others, he had led the peasants of western Fujian Province to stage an uprising and establish the western Fujian revolutionary base in the spring of 1928. When the central worker-peasant government was founded, he was appointed minister of finance, leading the work of developing the economy of the central soviet areas. Later, when the Red Army began the Long March, the CCP Central Committee left him together with Comrades Xiang Ying, Chen Yi, Tan Zhenlin and Chang Dingcheng and others, who persisted in struggle during the extremely difficult 3 years of guerrilla warfare. After the beginning of the war of resistance against Japan, he joined in the leadership work of the New Fourth Army. Prolonged revolutionary struggles tempered him into a strong-willed and richly experienced revolutionary. We were delighted to the bottom of our hearts at his arrival.

When Comrade Zihui arrived in northern Jiangsu, the 4th Division of the New Fourth Army had just been transferred from the western side of the Tianjin-Pukou railway line to its eastern side. The base areas on the eastern side of the railway had not been held for very long, the masses had not yet been aroused and the revolutionary bases were not very consolidated. At that time the situation was grave. There existed a tripartite confrontation between the enemy, local armed diehards and ourselves. Under these circumstances, the pressing tasks at that time were how to rapidly arouse the masses, expand the people's armed forces and establish and consolidate the revolutionary bases. Comrade Deng Zihui and Peng Xuefeng and others of the district CCP committee resolutely carried out the directive of the CCP Central Committee and its Central China Bureau, a directive urging them to arouse the masses, organize the masses, expand the revolutionary forces and within two winter-spring periods build northern Jiangsu into a consolidated democratic anti-Japanese aggression base while seriously restructuring and expanding the main force and local armed forces.

In building the revolutionary bases, Comrade Zihui firmly grasped a key link, namely, going all out to mobilize and lead the peasants in waging the struggle for the reduction of land rent and loan interest. This was aimed at organizing the majority of the peasant masses to establish the political superiority of the basic masses, and at the same time correctly taking care of the interests of the various classes which resisted Japanese aggression. In June 1941, the district CCP committee held a meeting of the activists and studied the concrete policies for reducing land rent and loan interest in the regions of northern Jiangsu. After the meeting, large batches of cadres were sent to the countryside to mobilize the masses to carry out the struggle for the reduction of land rent and loan interest, thus improving the economic life of the peasants and arousing them to resist Japanese aggression. On the basis of the aroused masses, we set up anti-Japanese aggression and salvation associations, composed of workers, peasants, youths, women and so on. By the end of 1944, the membership of those associations had reached more than 1 million. We reorganized the local armed forces controlled by the landlords and transferred the guns into the hands of the people; completely restructured grassroots political power and established the "three-thirds system" of anti-Japanese aggression and democratic political power. This substantially raised the economic and political positions of the masses of workers and peasants and greatly weakened the feudal forces, thus establishing an order of new democratic revolution. While establishing the superiority of the basic masses, Comrade Zihui paid close attention to uniting various classes that were resisting Japanese aggression and to uniting all patriotic forces to join in the resistance against Japanese aggression. Often he did work which the democrats and the enlightened gentry did. He had a lot of friends among these people.

It was necessary to overcome the difficulties in supplying grain and funds to the revolutionary bases. Being good at managing finances and organizing production, Comrade Zihui led and perfected the government's financial and economic organs, and implemented unified progressive taxation, state purchase of grain, land taxation and goods taxation. He also set up the Northern Jiangsu Bank and issued border currency. At the same time, learning from the experiences of Yanan, he mobilized and organized the army and the people of northern Jiangsu to carry out a mass production campaign and develop agricultural and handicraft production. Every year we organized the masses to engage in spring plowing and in summer and autumn harvests, to build water conservancy projects, to plant cotton, and to study spinning and weaving. We also organized mutual aid teams and cooperatives and encouraged the peasants to work out plans to make every household prosper, and urged the labor heroes to carry out a production emulation drive. As a result, a great upsurge in production prevailed in northern Jiangsu under a war situation. We broadened sources of income and reduced expenditure, handled all revenue and expenditure in a unified way, practiced a unified budget and strict accounting, practiced a unified state treasury and strict audits, practiced strict economy and put an end to corruption and waste. This enabled us to quickly overcome the economic difficulties of the revolutionary bases and basically ensured clothing and food for the army and the people of northern Jiangsu.

In 1943, in the rectification movement led by Comrade Zihui and the district CCP committee, we ran a total of nine training courses in rotation, and Comrade Zihui made rectification reports many times to them. In the rectification movement, the cadres were organized to study documents, sort out the unhealthy tendencies of subjectivism, sectarianism and stereotyped party writing, and overcome nonproletarian thought. This resulted in the enhancement of the ideological consciousness of the cadres. In July 1944, when Comrade Liu Zijiu studied in the CCP Central Committee's party school, he wrote "a letter to the district CCP committee of northern Jiangsu concerning the question of study," which was authorized to be issued to the various revolutionary bases by Comrade Mao Zedong. Comrade Zihui organized the cadres and the army to study this letter, thus enabling them to further deepen the mass viewpoint. Through the rectification movement, Comrade Zihui handled two misjudged cases of Siyang and the northern Jiangsu middle school in a timely, realistic and practical way, with the result that the cadres were educated, unity was strengthened and the party's prestige was enhanced.

In the struggle to constantly establish, consolidate and expand the revolutionary bases, we won a series of victories in the military struggle against the enemy and local armed diehards. In the winter of 1942, through 33 days of bloody battle, we eventually smashed the large-scale "mopping-up operations" launched by the Japanese aggressors against our revolutionary bases. In March 1943, with the coordinated 2d and 3d Divisions under the unified command of Comrade Chen Yi, Comrades Peng Xuefeng and Deng Zihui led the principal force of the 4th Division and captured Han Dele alive. He was the commander of the KMT anticommunist command of Jiangsu Province in the Shanzitou battle, and after being educated, he was released and courteously sent over the border. In August 1944, Comrade Xuefeng personally commanded the principal force of the 4th Division in marching westward. They established eight county administrations, liberated 2.5 million people, recovered large parts of the revolutionary bases in the Henan-Anhui-Jiangsu border areas and, as a result, the revolutionary bases of northern Jiangsu were expanded to twice their former size. In commanding a battle, divisional commander Xuefeng heroically gave his life for his country.

After Comrade Zihui's arrival in northern Jiangsu Province, the work of the revolutionary bases in such fields as political power, armed forces, finance and economics, the united front and party building was pushed forward and deepened. Contingents which maintained close ties with the masses and were capable of fighting were educated and nurtured. He deserved to be called a good teacher and guide of the broad masses of the army and the people of northern Jiangsu. In recollecting this period of his military life, we cherish his memory all the more!

After the victory in the war of resistance against Japan, Comrade Zihui took up leadership work in the Central China Subbureau and East China Bureau under the CCP Central Committee successively in the Jiangsu-Anhui and Shandong liberated areas. In leading the struggle for land reform, he creatively put forth the policy of "starting at both ends and leaving the middle untouched," carried out the CCP Central Committee's "4 May" directive in an exemplary way, and corrected the "leftist" and rightist deviations which cropped up in the work of land reform. In leading the work of supporting the front, together with other leading comrades, he quickly put an end to the passive state of this work and met the logistical supply needs of our armies in central China and Shandong Province, thus creating favorable conditions for smashing the enemy's attacks and also providing the Huai-Hai campaign, the successful crossing of the Changjiang River and other campaigns with rich experiences.

II

After the nationwide completion of land reform, under the leadership of the CCP Central Committee and Comrade Mao Zedong, Comrade Zihui devoted all his energies and strength to organizing and leading the agricultural cooperativization movement and to developing socialist agriculture.

In early 1953, Comrade Zihui was transferred and appointed by the CCP Central Committee to be director of the Rural Work Department of the CCP Central Committee. Not long afterward, I was transferred to the Ministry of Agriculture and continued to work under his leadership.

Comrade Zihui invariably took a clear-cut, firm and positive attitude toward China's agricultural collectivization. He said to me: "Chairman Mao asked me to work in the Rural Work Department. This means organizing the several hundred million peasants to engage in agricultural cooperativization. This is the general principle and general task of rural work." He held that in developing agricultural production, we could not rely on the scattered and backward small peasant economy. The only way was to organize mutual aid and cooperation. The socialist transformation of the small peasant economy "could not waver." Together with comrades of the Rural Work Department, on behalf of the CCP Central Committee, he took charge of the work of formulating "decisions concerning developing agricultural producers' cooperatives" and other documents one after another and forcefully led and propelled forward the agricultural cooperativization movement.

Concerning the question of how to realize China's agricultural collectivization, Comrade Zihui maintained that it was necessary to proceed from the present condition of China's small peasant economy, supporting the peasants' enthusiasm for developing mutual aid and cooperation on the one hand and not dampening the enthusiasm of the individual peasant economy on the other hand. We had to adopt various transitional measures and transitional forms which were easy for the peasants to accept so that the peasants were able to enter the stage of socialism of their own free will and being well-prepared ideologically. He upheld the principles of "exercising active leadership and achieving steady advance" formulated by the CCP Central Committee, of voluntary participation and mutual benefit, of setting an example and of state assistance. He opposed noninterference or coercion, commandism as well as rashness. In early 1953, in some localities there emerged a phenomena in which the peasants were forced to join the cooperatives, the interests of the middle peasants were encroached upon and advanced forms were sought after blindly. He made timely suggestions to the CCP Central Committee in order to overcome impetuosity. The CCP Central Committee accepted his suggestions and issued one after another a series of documents to correct these deviations. They also compiled the "directives to the party committees at various levels concerning production in spring plowing" drafted on behalf of the CCP Central Committee by the Rural Work Department of which he was in charge, the RENMIN RIBAO editorial entitled "The Key to Leading Agricultural Production" and its "decisions concerning agricultural producers' mutual aid and cooperation" into a book entitled "A Guide to Present-Day Agricultural Work," which was issued throughout the nation to direct the movement. Comrade Mao Zedong personally wrote instructions in it, calling on personnel engaged in rural work "to make a serious study of it." At the first national rural work conference, he further emphatically criticized rash deviations and expounded the principle of "achieving steady advance." These measures played a positive role in the smooth development of the agricultural cooperativization movement at that time.

Before the autumn harvest of 1954, the agricultural cooperatives throughout the country had increased in number from 14,000 to 100,000, and in 1955 dramatically increased to 670,000. Because the growth rate was too fast, 7 billion jin of grain in excess of the state purchasing quota was purchased all over the country. A strained situation both in grain and in cooperativization emerged in a large number of places to varying degrees. In some places pigs and cows were slaughtered, trees were felled and production was sabotaged. This state of affairs attracted the attention of the CCP Central Committee and Comrade Mao Zedong. On 10 January 1955, the CCP Central Committee issued the "circular concerning the rectification and consolidation of the agricultural cooperatives," urging that measures to suspend the further expansion of, to appropriately reduce and to rectify the cooperatives should be taken in different regions. At the beginning of March in that year, the CCP Central Committee and the State Council issued an "urgent directive concerning rapidly arranging the work of grain purchase and sale and reassuring the peasants in production," pointing out that "it is necessary to reduce the pace of agricultural cooperativization." In the last 10-day period of March, Comrade Mao Zedong invited some leading comrades and put forth the principle of "suspension, reduction and expansion," pointing out that with regard to cooperativization, our policy was to suspend, to reduce and to expand. Those which deserved to be suspended should be suspended, those which deserved to be reduced should be reduced and those which deserved to be expanded should be expanded. Comrade Zihui and the Rural Work Department of the CCP Central Committee earnestly implemented the above-mentioned directive. They carried out rectification and consolidation work among the 670,000 cooperatives throughout the country, of which 650,000 cooperatives were preserved and 20,000 cooperatives were disbanded. Later it was said that "200,000 cooperatives were disbanded." This was not a fact. This rectification overcame the tendencies toward rashness and impetuosity, relaxed the strained rural situation and sparked the enthusiasm of the broad masses of peasants to a certain extent.

On the question of the speed of agricultural cooperativization, in May 1955, when discussing plans to develop cooperativization, Comrade Zihui maintained that cooperativization should be popularized step by step. He also held that attention should be paid to its consolidation, and it should be developed in accordance with the CCP Central Committee's original plans instead of being developed excessively at an unduly rapid pace. Doing things in such a way seemed to be a bit slow, but, in fact, from a long-term point of view, it would be faster and make better progress. Later these correct proposals were subjected to criticism.

After being criticized, Comrade Zihui still threw himself with great zeal into the work of consolidating agricultural collectivization. He especially stressed upholding the principle of voluntary participation and mutual benefit, maintaining that the heart of the matter was to correctly treat the middle peasants and to establish an alliance of the poor and middle peasants; he stressed not discriminating against the peasants still farming on their own and maintaining that only when the interests of the majority of the peasants were protected and developed, could we enjoy their support. He paid close attention to doing a good job in the operation and management of cooperatives, to rectifying their financial affairs, and to ensuring increases both in production and income of cooperative members. Together with the comrades of the Rural Work Department of the CCP Central Committee, and on behalf of the CCP Central Committee, he drafted a series of directives and documents concerning the consolidation of agricultural collectivization. In October 1957, based on the summation of the experiences of various localities, he made a suggestion for practicing unified administration, graded management and a personal responsibility system with a clear division of labor and responsibility. After people's communes were organized throughout the nation, he continued to work hard for the consolidation of the collective economy. In 1960 he personally conducted investigations in the rural areas and on this basis he took charge of drafting the "forty regulations for handling the internal affairs of the people's communes." The 1961 work meeting held by the CCP Central Committee formulated the "draft regulations for the work of the rural people's communes" (that is, the "sixty regulations") by using these regulations as reference and summing up the experiences of various localities.

In the spring of 1962, he wanted to consolidate the collective economy and find ways to integrate the economic interests of the collective with those of the individual on the basis of investigations. Apart from stabilizing the system of production team ownership, respecting the decisionmaking power of the production teams, preserving small freedoms and not changing the fixed grain purchase quotas for the production teams for a number of years, he laid further stress on establishing strict production responsibility systems. He advocated that, under the premise of putting production planning, the means of production, labor and distribution under unified administration, the production teams were allowed to assign work and output to the operating groups under a contract. The latter were allowed to assign field management and some work requiring certain production skills which were not convenient for the collective to do, to individual households under a contract, by linking remuneration with output and giving rewards for fulfilling production tasks. Large-scale work was to be done collectively and small-scale work individually. This proposition was aimed at countering the serious situation at that time in which no clear responsibility was fixed and no distinction was made between those meriting rewards and those deserving punishment, and the proposition was, therefore, warmly welcomed by the peasants. The fine situation which has emerged after the introduction of various forms of the agricultural responsibility system in the rural areas of present-day China has fully proved the correctness of Comrade Zihui's assertion concerning establishing a responsibility system linking remuneration to output.

As for how to develop China's agricultural economy, Comrade Zihui also put forth a series of far-sighted propositions. He held that in order to develop agricultural production, first of all it was necessary to have a clear understanding of the basic condition of China's agriculture, of the natural resources and other conditions, and to make the best possible use of the favorable conditions and avoid the unfavorable ones. He criticized the tendency to make production unitary, and stressed the need to develop a diversified economy and all-round production in such fields as agriculture, forestry, animal husbandry, sideline occupations and fishery. He attached great importance to the work of the technological transformation of agriculture and to the enthusiastic popularization of advanced production techniques and advanced experiences in operation and management. He also advocated that technical popularization centers and operation and management centers be established throughout the nation. He advocated that in carrying out agricultural capital construction, consideration should be given to practical demands, the principle determining important and urgent demands should be practiced, things should be done within the limits of our capabilities and we should not entertain the idea that seeing that "all neglected tasks are now being undertaken" we are only "one step away from heaven."

Comrade Zihui also made outstanding contributions to establishing and developing China's agricultural scientific undertakings. At the national conference on agricultural scientific work called in December 1955, he reminded us to recognize that, after cooperativization, the peasants would inevitably require scientific assistance. He said that in developing agricultural production, besides relying on the enthusiasm of the peasants, we should rely on the use of agricultural science. Labor plus science would ensure a steady increase in production. At Comrade Zihui's suggestion, the Chinese Academy of Agricultural Sciences, various district institutes and specialized institutes of agricultural sciences were established and tens of thousands of agrotechnological personnel were trained, thus ushering in a new era in China's agricultural scientific research.

Practice over a long period of time has proved that Comrade Zihui and the Rural Work Department of the CCP Central Committee of which he was in charge remained steadfast to the socialist orientation and to the party's line, principles and policies and made remarkable achievements. His correct proposals concerning the development of China's socialist agriculture are still of significance to the modernization of agriculture.

III

Working together with Comrade Deng Zihui for a long time, I realized that he had many noble qualities and a fine work style which deserves our study and attention. Here I would like to list some of his characteristics which left fairly deep impressions on me.

Comrade Zihui raised his understanding of the mass viewpoint and mass line to the higher plane of party spirit and then put them into practice. He was a model of our party in enthusiastically upholding the mass viewpoint and mass line. He always taught the cadres to get deeply involved with the masses, understand them and foster the idea of serving the people wholeheartedly, doing everything for the people and relying on the people in doing everything. He said: "Going all out to mobilize the masses is the basic line of the party in leading the revolution and the only way for the masses to achieve victory in the revolution and self-emancipation." Every party member and every revolutionary should have the mass viewpoint. This is "the basic content of the party spirit."

He held that whether waging revolution or carrying out construction, we should rely on the consciousness, wishes and voluntary participation of the masses of people instead of having the mentality of acting and considering oneself clever and practicing subjectivism and commandism. As long as we take the mass line and consult with the masses when matters arise, we will become wiser in doing things. When considering policy issues involving the interests of the masses, he always reminded us to "take the more important one in weighing up two advantageous measures and take the less harmful one in weighing up two disadvantageous measures." He asked us to maintain wide and close ties with the masses, listen attentively to the voice of the masses, acquaint ourselves with the weal and woe and the urgent demands of the masses, and really find out where their interests lay. To achieve this, the basic thing was for our comrades to live like the masses and "rather than having privileges, their words, deeds, clothing, housing and food should be in a common style." In this way, the masses would dare to approach us and be willing to tell us what was on their minds. In work over a long period of time, he himself was best at doing mass work, at maintaining close ties with the masses, at having a true understanding of the demands of the masses and using the language of the masses to explain to them the party's views and policies.

Another outstanding characteristic of Comrade Zihui's was that in doing everything he laid stress on investigation and study, proceeded in everything from reality and sought truth from facts. These strong points of his took shape when he was in western Fujian during the agrarian revolution. By conducting profound investigation and study and summing up the experiences of the masses, he reached the conclusion: "take from those who have too much and give to those who have too little; take from the fat to pad the lean." This conclusion and the conclusion reached by Comrade Mao Zedong from the investigations he conducted in Xingguo coincided. For this, Comrade Zihui was praised by Comrade Mao Zedong. Later, when he was in northern Jiangsu, central China and Shandong Province, in working in various fields, he took investigation and study as a means to find a way and as the foundation for formulating principles and policies.

During the stages of socialist revolution and socialist construction, as usual, he preserved this fine work style. He was praised by Comrade Mao Zedong three times. The first time was in 1957. On the basis of investigations and study, he drafted the directives and documents concerning the consolidation of the agricultural collective economy for the CCP Central Committee. Comrade Mao Zedong praised him for his method in doing this work, namely, to proceed from reality. The second time was in March 1962, when a work conference was convened in Guangzhou by the CCP Central Committee. After the "sixty regulations" were discussed at the meeting, Comrade Mao Zedong said at the meeting that our revered Comrade Deng had done a good thing in formulating the "sixty regulations." He had the spirit of conducting investigations and study and his views were correct. The third time was when, after the Guangzhou conference, he was entrusted by Comrade Mao Zedong and Comrade Liu Shaoqi to determine the problems of the rural basic accounting units. He returned to Fujian Province to conduct investigations and carry out experimental work, and then wrote "an investigative report concerning the experimental work of the basic accounting units of the people's communes" in which he formulated solutions to some concrete problems arising after production teams were made the basic accounting units. When he read the report, Comrade Mao Zedong was very happy and wrote instructions for it to be issued throughout the country. The instructions read: "This report of Comrade Deng Zihui's is very good. It is sent to you for your reference"; "Conducting serious investigations and study and making a concrete analysis of concrete conditions instead of an abstract and subjective analysis are the soul of Marxism"; "First secretaries of various provinces are encouraged to lead some working groups and go, adopting the method of Comrade Deng Zihui's, to the countryside to do investigation work and study for about 10 days." He was still ready to accept the views of other people, views stemming from practical work, and modestly learn from the creativity of the masses. When the production responsibility system was proposed in 1962, it was he who was the first to receive a letter written by a grassroots cadre in Anhui Province. He sent out a working group and after the system was proved to be effective through repeated investigations and studies, he proposed this method to the CCP Central Committee. His thoughts, views and assertions were often fairly suited to reality thanks to the importance he attached to investigation and study.

In handling the relationship between the individual and the party, Comrade Zihui was a model who upheld principles and observed discipline. He could withstand the tests of both favorable and adverse circumstances. In all circumstances, he always struggled arduously and made unremitting efforts to improve himself. He dared to practice criticism and self-criticism. Strict in analyzing himself ideologically, he would criticize himself in public without scruple if he found he had made mistakes. When he was unjustly criticized, he could take the interests of the whole into account, hold back his grievances for the sake of shouldering more important tasks, safeguard the unity of the party and never shirk responsibility. But on the question of principle involving the fundamental interests of the people, he would never yield. Conscious of dangers, he would give no thought to personal gain or loss, but instead would report and make suggestions to the CCP Central Committee and ask it for instructions according to the rules and regulations of the party. He was open and aboveboard as well as very sincere, and he never concealed his views.

Comrade Zihui also had the spirit of using his own hands and starting, in doing everything, from small matters. He personally compiled a "Rural Accounting Textbook." Together with us, he studied such problems as agricultural scientific research and education, the popularization of technology, the grain cropping system, the diversified economy, the development of pig raising and animal husbandry, river control and water and soil conservation, and construction in mountainous areas. Even in his last few years, he indefatigably studied the rural "insurance system for farm cattle" so as to ease the burden on the peasants.

All this fully shows that he was boundlessly loyal to the cause of the party and the people and to Marxism-Leninism-Mao Zedong Thought. Comrade Zihui proved himself to be a Marxist who integrated theory with practice.

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HOW SHOULD WE LOOK AT THE QUESTION OF MARKET PRICES AT PRESENT?

Beijing RED FLAG in Chinese No 1, 1 Jan 82 pp 33-36

[Article by Liu Zhuofu [0491 0587 3940], director of the State Administration of Commodity Prices]

[Text] In the government report delivered at the 4th session of the 5th NPC, Premier Zhao Ziyang said that commodity prices in 1981 were mainly stable. Comparing 1981 to 1980, he said, the rise in the general price index has been smaller. Prices of daily-use goods have been kept stable. However, the prices of some items have risen. These words summarized realistically the general situation of our market prices in 1981.

First of all, the situation of market prices in 1981 was better than that of the previous year.

Regarding the price index, from January to September 1981, the general social retail price index rose by 1.1 percent as compared with the same period of the year before. Within this figure, the state-fixed prices rose by 0.9 percent; negotiated prices rose by 1.6 percent; and fair market prices rose by 5.3 percent. It is estimated that the general retail index for the whole year rose by 2 percent, which takes into account the price rise of cigarettes and wine, while the same index rose by 6 percent in 1980. Of course, owing to various complicated factors, the index cannot exactly reflect the real situation of price changes. For example, the index cannot reflect such phenomena as disguised price hikes and random charges. After prices of eight categories of nonstaple foodstuffs were raised in 1980, the repercussions of a chain reaction were quite strong; besides, the range of commodities which can be negotiated had not been well defined, adding such problems as hikes in negotiated prices and sporadic price hikes for a period of time. For this reason, the State Council issued the "circular on stringent control of prices and rectification of negotiated prices," which enforced a price freeze on all consumer goods and called for a nationwide price inspection. In this way, sporadic price hikes were brought to an end and prices were kept basically stable. In the first half of 1981, the general retail price index rose by only 0.7 percent. The masses were rather satisfied with this. However, in the latter half of the year, vegetable prices were raised. Then the state adjusted the prices of some commodities, and some of the fair market prices also rose. All this contributed to raising the price index in the latter half of 1981, which is expected to be larger than that in the first half. However, viewing the entire year and all aspects, it is certain that the rise in the price index in 1981 was smaller than the rise in 1980.

Second, some prices did rise; hence the masses were further burdened.

The retail price rise in 1981 can be divided into three parts.

The first part is the price rises approved by the State Council. There are two such groups in this first part. One group was approved around the second quarter. Among those, the selling prices of bamboo, wooden and leather products were raised. The reason for these price rises was that the former purchasing prices for timber, bamboo, cowhide and sheepskin were on the low side. However, after raising the purchase prices proportionally, the production of finished products from these raw materials incurred financial losses, so that the output of the products decreased; some of them even became in short supply. Therefore, it was necessary to raise the prices of finished products, which spurred the development of production and better met the needs of the masses. The other group included cigarettes and wines, the prices of which were raised recently. While deciding to raise the prices of these two groups of commodities, the State Council lowered the prices of other items. Among them, there were polyester cloth, nylon socks, rubber-soled shoes, electric meters for civil use, electric fans, television sets, recorders, magnetic tapes, digital watches, refrigerators, as well as honey, walnuts and so on. In general, both the increases and decreases occurred in commodity prices. In the main, the amount of price rises for industrial products was equal to that of price decreases. Both price rises and price decreases totaled over 300 million yuan. Adding the price rise of cigarettes and wine and the price decrease of polyester cloth, the total amount of price rises was a bit larger than the total amount of price decreases. However, the commodities whose prices were raised are daily-use consumer goods; and the commodities whose prices were lowered are only bought by a small portion of the people, or are not bought frequently by most of the people, so that the broad masses of consumers did not readily feel the effect of the lowered prices. As a result, the impression of price hikes ran deeply among the masses.

The second part of the price rises came from enterprises which raised the prices of their products without authorization. This was mainly reflected in all kinds of disguised price hikes and random charges. In the course of implementing the economic responsibility system and after linking bonuses with profits, the administration and supervision systems did not keep up with the changes, so that the problem became more pronounced. By means of raising prices without authorization and making disguised price hikes and random charges, some enterprises and institutions increased their profits in order to distribute more bonuses. Besides, owing to the unhealthy tendency of "entering through the backdoor," well-made inexpensive commodities were first sold to friends, relatives and the so-called "related units," thus further adding the burden on the broad masses of consumers.

The third part of the price rises came from market trading. Shortages of some commodities traded in this way resulted in price rises. Prices of other items were hiked by shops. All this causes the expenses of urban residents to increase.

However, in the urban areas, it was the rise in nonstaple foodstuff prices that aroused the most complaints from the masses and affected them the most. The vegetable price rise in particular drew the loudest complaints from the masses, despite the state's increasing vegetable price subsidies year after year. In 1979, the state give a subsidy of 240 million yuan; in 1980, 310 million yuan; and in 1981, more than 400 million yuan. For vegetables, the masses had to pay more, and the state had to give more subsidies, but the supply did not improve. This was owing to problems in production and management. The shortage of commodities at state-fixed prices was another reason for the rise in price of nonstaple foodstuffs. The masses were thus obliged to buy more commodities at negotiated prices or at fair market prices. In some towns, most of the pork was supplied by individual retailers, since state-owned shops only supplied a very limited amount. Among vegetables, poultry, eggs and aquatic products, those bought at negotiated prices or in market fairs accounted for a substantially large proportion. The departments concerned are planning a special meeting to find solutions to the above problems.

While finding that the prices of some commodities did rise and that the masses were greatly affected, we should also note other aspects. Comparing 1981 with 1978, the peasants' income increased by over 18 billion yuan owing to increases in state purchasing prices for agricultural and sideline products. Cash wages (including bonuses and subsidies) of staff and workers in units owned by the whole people were 24.7 percent higher in 1980 than in 1978, while prices rose by 10.1 percent over those of the same period. Even if disguised price hikes and other factors are taken into account, viewing the country as a whole, wages rose much more than prices. Therefore, looking at the people's livelihood in an all-round way, we should say that prices have risen in recent years and the masses have had to pay more, but workers' wages have also increased and, moreover, they have risen more than the increase in expenditures, so that the people's standard of living has improved. Of course, there is still some imbalance. Families which have more people employed, had their wages increased and had more bonuses had a more improved standard of living, and they constituted the majority. On the other hand, families which did not have such benefits felt the price rises much more, their standard of living did not actually improve, and some suffered a decline in the standard. These people are mainly personnel who work in government organs and who work in scientific, cultural, educational and medical-health institutions. Finance Minister Wang Bingqian said in his report at the 4th session of the 5th NPC that the state is planning to readjust the wages for staff and workers in departments which do not adopt the bonus system.

Here, it is necessary to say something about price subsidies. Although the state still has many financial difficulties, a subsidy system has been in effect for many years for people's daily-use goods and agricultural products in order to stabilize market prices. Particularly in the past 2 years, while the state purchasing prices for agricultural and sideline products were raised, selling prices for grain, cotton and oil were still maintained. Thus the state had to increase price subsidies year after year: in 1978, the subsidies amounted to 7.8 billion yuan; in 1979, 14.6 billion yuan; in 1980, 20.8 billion yuan; and in 1981, it is expected to be over 32 billion yuan. Among the total subsidies in 1981, subsidies for grain, cotton and oil accounted for 22.8 billion yuan; those for meat, fish, eggs, sugar, vegetables and domestic coal accounted for 2.8 billion yuan; and those for chemical fertilizer, pesticide, diesel oil for farm use, electricity for farm use and farm machinery accounted for 4.5 billion yuan. This fully shows that the state has spent a lot of money in order to ensure stability in the people's livelihood.

At present, many people are concerned about the price decrease of polyester cloth and the price rise of cigarettes and wine. So it is necessary to give a further explanation here.

It was after careful consideration that the State Council decided to lower the price of polyester cloth and to raise the price of cigarettes and wine. The polyester cloth price decrease was mainly for the purpose of expanding sales, reducing stockpiles, promoting production and improving people's clothing. By raising the price of cigarettes and wine, it was intended on one hand to cover the increased cost caused by the price rise in raw materials, and on the other hand to increase revenue and help overcome the current financial difficulties.

It was planned to lower the price of polyester cloth by 0.66 yuan per meter, but as the result of actual implementation, the price was lowered by about 0.70 yuan per meter. Among the cigarettes and wine, the prices of those of high quality and of well-known brands were raised much higher, but prices were raised less or held level for those of intermediate or low quality and those which already had rather high prices. Considering the retail price rise within the whole country, prices of the grade A cigarettes were raised on an average by 0.27 yuan per pack. Among them, the prices of some well-known brands like Zhonghua produced in Shanghai and Yunyian in Yunnan were raised by 0.50 yuan; prices of grade B were raised on an average by 0.08 yuan per pack, but the well-known Qianmen and Hengda brands were raised by over 0.10 yuan; prices of the grade C were raised by 0.02 yuan, and some of good quality were raised by 0.05 to 0.06 yuan; and prices of grades D and E were held level. Prices of well-known white wines were raised by 2 yuan per jin, bulk grain wine prices were raised by 0.05 to 0.20 yuan per jin, bulk standard beer prices were raised by about 0.16 yuan, bulk yellow wines were raised proportionally, bottled wines prices were raised correspondingly, but potato wine prices were held level. The range of price rises varied according to locality. Some were higher than the national average, others were lower.

While the prices of polyester cloth, cigarettes and wines were being adjusted, a small number of provinces and municipalities also increased the prices of several kinds of commodities. The price adjustment of these commodities had generally been previously approved by the State Council. Most localities had finished this adjustment one after another several months earlier. So it cannot be said that those few provinces and municipalities which had not finished this price adjustment used this opportunity to hike the prices of more commodities. However, some localities have not done enough propaganda and explanation among the masses to get them to understand the reasons for adjusting the prices of more commodities, hence there were misunderstanding and complaints among the masses for a time. This should be taken as a lesson for future work.

There are quite a number of people who worry that the prices of other commodities will be hiked following the latest rise in cigarette and wine prices, thus starting an upward trend.

As prices of the eight categories of nonstaple foodstuffs were raised the year before, the chain reaction and random expansion of negotiated prices were not well controlled. This shortcoming in our work remains fresh in people's minds, and their misgivings are understandable. However, it can be clearly stated that the latest price rises in cigarettes and wine will not lead to such a situation. This is because cigarettes and wine are finished products and are different from the eight categories of nonstaple foodstuffs, which are both direct consumer goods and also the raw materials for some consumer goods. Therefore, the rise in cigarettes and wine prices will not cause a chain reaction among other commodities whose prices are fixed by the state. While deciding to raise the prices of cigarettes and wine, the State Council also gave instructions to all departments and localities to strictly control prices and to prevent prices from being hiked randomly.

It should be pointed out that, before the state can reform the structure of wages and prices in an all-round way, keeping market prices stable, in the main, is the most important task in pricing work. Only under the premise that the stability of prices can be ensured and both the increase and decrease of the prices are arranged, can the adjustment of a small number of commodities be made step by step in a planned way. Premier Zhao Ziyang pointed out that, after the price rise in cigarettes and wine, stringent measures should be adopted to maintain price stability. He said that retail prices under the control of the State Council or its subordinate departments cannot be raised without the approval of the State Council, even if the existing prices are irrational. It should be made a matter of discipline. In any case, retail prices should be kept stable. As for problems concerning administered prices and the relations between different industrial departments or between the industrial and commercial departments, solutions should be reached by the leading organs concerned after due consideration, and afterward, no market price can be changed. The pricing departments must be determined to cooperate with industrial, agricultural, commercial and market administrative departments in effectively maintaining the stability of market prices. The following are specific measures to be implemented:

1. Conscientiously straighten out and stabilize the state purchasing prices for agricultural products. Since the 3d Plenary Session of the 11th CCP

Central Committee, the purchasing prices for the agricultural products have risen by 35 percent. There has already been a very great improvement in the situation of prices being too low for agricultural and sideline products. According to the current financial and material capacity of the state, and looking at the rate of development of agricultural production in recent years, it can be said that the current levels of purchasing prices for agricultural products conform to the current needs in the readjustment of the national economy. Prices can no longer be used to arouse the peasants' enthusiasm. We should rely on the development of production instead of price rises to make peasants prosperous. A correct price policy can bring about production growth, but improper price rises can harm production, harm the price relations between different agricultural products and between industrial and agricultural products, so that the coordinated development of the entire national economy will be affected. It must be seen that price rises only relate to the distribution of the national income and cannot create any social wealth. Under the present circumstances, if the purchasing prices for agricultural products are further raised, the state can only add to its financial deficit and issue more banknotes, inevitably causing price hikes, which will not only make the workers suffer but also make the peasants lose their benefits from purchasing price rises. Therefore, we must be determined to keep the purchasing prices for agricultural and sideline products stable over the next few years. The income of the broad masses of peasants, which conforms to the policies, should be protected; but random practice of some localities and departments, which violate state policies to expand the variety of commodities with negotiated or increased prices, to hike the negotiated prices and to cut the purchasing base quotas, should all be rectified conscientiously. The principles of giving consideration to all the interests of the state, the producers and the consumers and consolidating the worker-peasant alliance should be clearly explained to the cadres and the peasants, so as to stabilize, above all, the purchasing prices for agricultural and sideline products.

2. The adjustment of planned prices must be strictly controlled. While we tackle the small number of extremely irrational prices, the internal prices for settling accounts should be lowered as far as possible, or the taxes and profit distribution between enterprises can be readjusted. Product price adjustments, which will directly or indirectly cause a rise in market retail prices, should be strictly controlled. The financial losses of enterprises can be stopped mainly by improving management, reducing costs and cutting down circulating expenses. At present, there is a great potential in these respects, and a great deal of work can be done to accomplish these things.

3. It is necessary to resolutely stabilize the prices of basic necessities. There must be no rise in the prices of staple and nonstaple foods, cotton cloth, domestic coal, salt and other items supplied by ration or in exchange for coupons. Financial losses which occur in the handling of these items should continue to be covered by subsidies.

4. It is necessary to stabilize the prices of popular vegetables. It is essential that the leading comrades in large and medium-sized cities and in industrial and mining areas give their personal attention to this problem.

Planting and purchasing of vegetables must be done in a planned way. Problems concerning the production orientation of the peasants in suburban areas should be solved. The contradiction in the communes and production brigades between their industrial and sideline production on one hand and their vegetable production on the other should be carefully and properly handled. This requires that every locality and department do a great deal of work.

5. It is necessary to enact economic legislation and strengthen price controls. A pricing law is now being drafted. Inspection and supervision over commodity prices should be further strengthened. Industrial and commercial enterprises must straighten out ideas and styles of operation. Every locality should effectively strengthen the forces administering and supervising prices at the grassroots level. Particularly in the large and medium-sized cities, towns, industrial and commercial enterprises, there must be competent personnel in charge of price control. They should, by relying on the masses, frequently inspect and supervise market prices.

At present, there are many rumors being spread in society about prices. For example, it has been said that "the price of flour will be hiked; grain coupons will not be necessary"; "no cloth coupons will be issued from 1982 on"; "there will be an all-round hike in prices, everybody will be subsidized by a few yuan"; and so on. All these groundless rumors should never be given any credence.

The price problem is a comprehensive reflection of the national economy. To stabilize market prices is a task jointly shared by all departments concerned (including production, planning, commercial, financial, industrial and commercial administrative departments). Governments at all levels must mobilize their forces, by relying on the masses and pooling their wisdom and efforts, to bring prices under control in a comprehensive way. The fundamental way to stabilize market prices lies in developing production, lowering costs, achieving financial balance, controlling money supply and increasing consumer goods suited to the market. Premier Zhao Ziyang raised 10 important principles for economic construction; the people all over the country are striving for a fundamental improvement in the state's finance and economy. Without a doubt the prospects for our economic development will be better and better. Under the leadership of the party and the government, with the coordination and joint efforts of all departments, we are bound to be able to continue to keep market prices basically stable.

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ACT IN ACCORDANCE WITH THE EDUCATION LAWS AND IMPROVE THE QUALITY OF TEACHING IN AN ALL-ROUND WAY

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[Article by Wen Hanjiang [3306 1383 3068]]

[Text]

I

When we implement the eight-character policy in educational work, we must in the first place do a good job of readjustment, and we must also pay attention to the improvement of quality on the basis of rectification and restoration. Therefore, reviewing and summing up the experience of teaching practice over the past 32 years, studying the laws governing educational work in the new situation, and studying how to further improve the quality of teaching are very important tasks facing schools.

Over many years, in our teaching work we have paid attention to imparting knowledge and applying relevant theories, principles and methods of teaching to teach basic knowledge and skills. The actual results have been rather good, the quality of teaching has markedly improved and tens of thousands of personnel have been trained to serve the state's needs. Practice has proved that it is absolutely correct to stress basic knowledge and basic skills (abbreviated as the "two basics" below) in teaching. During the decade of internal disorder, the quality of teaching drastically deteriorated because basic knowledge and theories were done away with to a great extent and people vigorously carried out "open-door schooling" and "substituting action for study." This negative experience also testifies to the necessity and correctness of vigorously grasping the "two basics."

However, nowadays, science and technology develops at a tremendous pace, and scientific and technological knowledge changes with each passing day. If we only pay attention to the imparting of knowledge in teaching and students only master and memorize the theories and knowledge built up and summed up by their predecessors, without acquiring the ability to independently apply their knowledge to solve problems, then in their future work they will find it difficult to master new theories and knowledge which develop continuously, and therefore they will be unable to solve new problems. Past experience in teaching has also told us that although some students get high marks, they will find studying very difficult when they study more advanced things or when they enter institutes of higher learning. Some students acquire a great deal of knowledge in school. However, after graduation they show poor adaptability in work. This is because, over many years in our teaching work, we have paid attention to the imparting of knowledge alone, at the expense of the fostering of their ability. Therefore, we must fully develop the students' intellectual ability, cognitive ability and ability to analyze and solve problems. Only thus will the needs of the cause of socialism be met.

We must not only impart knowledge to students and foster their ability, but, what is more important, we must train them to be new people who are both Red and expert and who are fully developed morally, intellectually and physically. Therefore, it is an important task in teaching to provide ideological and political education so that the students gradually acquire a proletarian world outlook and so that their communist moral qualities are fostered. In the past, although we paid attention to ideological education in teaching, our work was often divorced from reality and marked by leftist and rightist deviations. For example, in the past, under the influence of the "leftist" ideology, we neglected or did away with the teaching of basic knowledge, unrealistically providing so-called ideological education, which was as superficial as putting on shoes and hats. We stressed the teaching of viewpoints and theories at the expense of educating students through gradual, uplifting and subtle influences. We stressed teaching by preaching at the expense of teaching by example, and so on. Since the smashing of the "gang of four," there has been a tendency to stress the teaching of the "two basics" at the expense of ideological and political education, with students being taught knowledge without being educated as persons. In recent years, we have one-sidedly gone after promotion rates and marks at the expense of full moral, intellectual and physical development. There has been a growing tendency to stress the training of a minority of students to be the "elite" at the expense of catering to the needs of all the students. All this is against our party's educational policy and is disadvantageous to the training of a large number of qualified personnel. Recently, thanks to the concern and guidance of the CCP Central Committee, the education departments at various levels have adopted effective measures to implement the educational policy of enabling students to develop in an all-round way--morally, intellectually and physically. They have stressed catering to all students and have strengthened ideological and political education for young students. This is a good start in improving the quality of teaching in an all-round way. Teaching is the main work of a school. Integrating ideological and political education with teaching is an important aspect of the moral education in schools. Therefore, we must correct our understanding of ideological education, sum up both positive and negative experiences, put an end to the slackness in our current ideological and political work, and conscientiously strengthen the ideological and political education of students.

In short, at present, when we stress the improvement of the quality of teaching, we must not be content with satisfactorily teaching the "two basics." We must further free our thinking from old ideas, study the new situation and new problems facing us in educational work, and vigorously discover objective laws of education. While doing a good job in grasping the teaching of the "two basics," we must also vigorously develop the students' intellectual ability and their revolutionary ideological qualities. We must flexibly integrate the three tasks of teaching the "two basics," fostering the students' abilities and providing ideological education. We must clearly understand the laws governing the development of each task and the interrelationships between these laws, and improve the quality of teaching in an all-round way.

II

Basically, fostering ability means fostering a capacity to understand and transform the world. Fostering the young students' ability mainly means fostering their ability to independently master and apply knowledge in the learning process, that is, to enable them to acquire the ability to creatively apply their knowledge.

Mastering knowledge is closely related to fostering ability. The two promote each other. In mastering knowledge, a student must convert the knowledge acquired by his predecessors into his own spiritual wealth. This conversion process must be accomplished through his own cognitive activity. The development of his ability (cognitive ability) will be favorable to his mastering of knowledge. If his ability is not developed, the knowledge he masters will be mechanical and lifeless. On the other hand, his ability is developed precisely through the learning process. If he departs from the basis of acquiring knowledge, the fostering of ability will become empty talk. Therefore, knowledge is the basis for the development of ability, and conversely, ability can promote the learning of knowledge. It is a one-sided and incorrect view to hold that it is unnecessary to pay attention to the fostering of ability if one can acquire solid knowledge, or to hold that the acquisition of knowledge is not very important, the principal task being the fostering of intellectual ability.

In fostering students' abilities and developing their intellectual ability, what principles of teaching must be followed? What are the characteristics of the things to be taught and the characteristics of the methods and forms of teaching? These important questions must be conscientiously studied.

In this era of rapid development of science and technology and new branches of learning, it is impossible for a person to master all kinds of knowledge or master all the knowledge contained in a specified branch of learning. School education can only help the students build a foundation which will enable them, in their work after graduation, to further independently master and apply new knowledge and study and solve new problems. In the common expression, the purpose of school education is to enable them to "draw inferences about other cases from one case."

In school, students must study various subjects and master extensive and rich knowledge in various branches of learning. In order to foster the students' ability and enable them to "draw inferences about other cases from one case," we must set this "one case" against the extensive sea of knowledge, so that students can understand complicated phenomena by applying simple principles and comprehend things by analogy. Therefore, in teaching we must distinguish general knowledge from key knowledge. In the light of the theory of the "structure of knowledge" put forth by the American psychologist (Bruner) [Buluna 1580 7627 4780], and also in the light of what we have learned from our teaching practice, in teaching extensive knowledge we must stress basic concepts, basic principles and ways of thinking.

The basic concepts and principles of a subject reflect a concentrated expression of the knowledge on this subject. That is, they reflect the internal relations and essential characteristics of the knowledge on this subject. All the knowledge on this subject can be explained in terms of these basic concepts and principles. For example, various phenomena in classical mechanics can be explained in terms of the basic concepts (velocity, acceleration, force, momentum, power, energy and so on) and the basic principles (the three laws of motion and the law of gravity) of mechanics.

In teaching, we not only must give the students the fruit of our predecessors' study and research, so that they know "what," but also must enable them to understand "why" and know "how" the knowledge is derived. Therefore, when teachers teach the students basic concepts and principles, they must also teach them ways of thinking. By ways of thinking, we mean how concepts are formed, how principles and principal formulas are derived, how sentences and paragraphs in articles are arranged, how to analyze problems and what steps to take in solving them--even the structure and systematic aspect of a unit of teaching material or a branch of learning--and so on. If students are taught ways of thinking, they will more thoroughly understand the derivation and significance of concepts and principles, how the understanding of concepts and principles has been extended and deepened, and also the laws governing the relationships between various concepts and principles. Thus, the knowledge in the students' heads will be systematic and living instead of patchy and rigid, and can be more easily memorized.

Actually, teaching is a process in which students, under the teachers' guidance, systematically acquire knowledge and gradually understand the objective world. In this process, the students master and apply knowledge and undergo two "changes," namely, from not knowing to knowing, and from knowing to application. These changes are basically the same as the two leaps in the process of cognition that mankind undergoes, although there are also some differences. The main difference is that the two changes occur under the teachers' guidance, and they do not arise from the students' independent process of exploration and creation.

The theory of knowledge tells us that the dynamic role of cognition is reflected in the two leaps in the cognitive process. Cognition is based on practice, and its key significance lies in the creative ability of thinking. In order to bring the dynamic role of cognition into play and to foster the students' ability in our teaching, we must not only lead them to relate what they learn to the realities in their learning process, but also highlight the role of thinking and vigorously enable the two "changes" to occur. Often there are two completely different teaching methods. The first is the spoon-feeding method, whereby "teachers lecture and students listen." Instead of students playing a leading role, the teacher monopolizes everything and deprives the students of their opportunity to play their role. The students' brains serve as flasks for holding knowledge. Thus, in acquiring knowledge, the students only lap up information without digesting it and just memorize it mechanically. In applying what they have learned, they only mechanically apply formulas, just like drawing a tiger after a cat's image. This teaching method inevitably makes students learn without thinking. It is contrary to the law of cognition. Although the students can acquire a definite amount of knowledge in this way, this knowledge remains lifeless and rigid in their brains, and therefore their ability is poor. The other teaching method is that of elicitation. The teacher mainly inspires his students to think actively and learn on their own initiative. The teacher plays a leading role by adeptly stimulating the students' interest in learning, inducing them to think according to correct thought processes, and inspiring them to explore, think over and study new knowledge and problems in the spirit of seeking truth. This teaching method is geared to the two changes in the learning process and brings the role of thinking and the dynamic role of cognition into play, so that learning and thinking are closely integrated. This is compatible with the law of cognition. Therefore, the knowledge acquired by students in this way is living knowledge which can promote the development of their creative thinking ability.

The students' learning activities are mainly carried out in certain specified places, namely, the classrooms. Classroom teaching is the basic form of teaching. It is a shortcut to the acquisition by students of the extremely abundant spiritual wealth built up by our predecessors. It makes it unnecessary for the students, in inheriting their predecessors' scientific and cultural knowledge, to undergo once again the long, tortuous and complicated processes which their predecessors underwent in exploring and discovering truths. Therefore, it is correct to grasp the central link of classroom teaching when we want to improve the quality of teaching. However, we must note that in classroom teaching, learning activities such as listening (to lectures), reading (books), performing (experiments), doing exercises and so on are conducted under the teacher's guidance. The correct teaching method can inspire students to think actively and arouse their enthusiasm for learning. However, in the same class, various students differ in their personal interests, inclinations, abilities and skills. Classroom teaching caters to the whole class and is mainly for grasping things common to all students, and therefore it is difficult to genuinely pay special attention to individual students and teach every student individually according to his aptitude. Thus, in developing the students' intellectual abilities and fostering their ability, classroom teaching is limited in its effectiveness. Therefore, aside from doing a good job of grasping the central link of classroom teaching, we must also vigorously start various kinds of extracurricular learning activities. Aside from compulsory common core courses, we must more vigorously run electives and various kinds of seminars so that senior middle and college students can take courses suited to their own personal circumstances and inclinations. Thus they can independently carry out reading of extracurricular materials, independent study, experimentation, practical work and creative projects. We must also develop on an extensive scale various categories of academic groups, science and technology groups, literature and art groups, physical training groups and so on, so that through group activities, students can use their own brains and hands to develop their own personal inclinations and skills. This kind of all-round development will help foster their ability to discern, present, analyze and solve problems.

III

Incorporating ideological and political education into teaching is a means of fostering, by means of political subjects and the teaching of various other subjects, the students' proletarian world outlook and communist moral qualities on the basis of acquiring and mastering knowledge. In a class society, the kind of intellectual education that does not bear the mark of any class is nonexistent. The system of knowledge in a subject invariably gives expression to some definite philosophical system and ideological viewpoints. For example, in the teaching of natural sciences, courses in mathematics, physics, chemistry, biology and so on enable students to understand the laws of movement in nature, so that they gradually acquire the dialectical materialist ideology. History and geography help educate students in patriotism and historical materialism through making known to them our motherland's ancient history, vast territory and abundant resources. Therefore, ideological education and the imparting of knowledge are interrelated and each merges into the other. Academic education and moral education are closely integrated and are unified. This is one characteristic of knowledge itself. In the past, ideological education was devoid of substance and was conducted in isolation. Quotations, political terms and philosophical concepts were used as substitutes for the teaching of the "two basics." Language and history lessons were turned into political lessons. This violated the laws governing the integration of academic education with moral education. Practice has verified that this not only failed to enable students to satisfactorily acquire basic knowledge, but also failed to enable us to attain the goals of ideological education. The teenage years are a time of physical growth and growth in knowledge. Education and teaching work must be a long-term, steady undertaking. To substitute analysis of the situation for the teaching of basic theories, or to substitute political campaigns for long-term and painstaking ideological education, runs contrary to youths' physical and mental development, which is characterized by being long-term and continuous. On the other hand, we must not think that imparting knowledge is tantamount to ideological education, or even refrain from conscientiously studying how to incorporate ideological education into teaching work, on the grounds that academic education is integrated with moral education. In fact, teachers must vigorously enhance their own ideological consciousness and standard of political theory. They must conscientiously analyze their teaching material and must be adept in discovering in it elements of ideological education material, which they must understand thoroughly. They must understand the real condition of their students' ideologies and flexibly integrate the imparting of knowledge with ideological education. Only thus will the result of ideological education be good.

The process whereby students learn by virtue of our teaching is also one in which their world outlook and moral qualities develop. It is a process whereby their acquisition of knowledge, emotional development, development of willpower and behavior are unified on the basis of knowledge. Teachers must not only impart knowledge to students, but also arouse their emotions and train them to have strong willpower as well as good habits. The exposition of knowledge, the reading of poetry and prose, the appreciation of works of literature and art, and singing performances can not only enable students to acquire knowledge, but can often arouse strong, morally wholesome emotions in students, such as love for the proletariat, patriotism, fervent love for the people, the party and the socialist system, and so on. Thus, students are educated through gradual, uplifting and subtle influences. By inspiring students by vivid means of presenting images, teachers can stimulate the students' enthusiasm and interest in learning and strengthen their confidence in learning. Therefore, the fostering of emotions can promote the acquisition of knowledge. Only by integrating knowledge with emotional experience so that the two echo each other can a powerful impetus be generated. Thus, when conducting ideological education, the teachers are required to possess revolutionary sentiments. Teachers must deeply love students, carefully discover points of emotional significance in their teaching material, and blend these points with the imparting of knowledge in a natural way. Only thus can the students' lofty moral sentiments be more effectively fostered.

Moreover, thanks to the teachers' organization, guidance and rigorous demands, the students, by listening to lectures, reading books, performing experiments, doing various prescribed and extracurricular exercises, and by repeated practice, can not only master knowledge and skills in the learning process, but also be trained to have strong willpower marked by firmness, bravery and courage in the face of difficulties. They can also acquire qualities and habits such as fervent love for the collective, vigor and diligence, conscientiousness, a strong sense of responsibility, adherence to discipline and so on. These qualities and habits will further help them acquire knowledge and skills. Therefore, in teaching and learning, acquisition of knowledge, emotional development, development of willpower and behavior are dialectically unified, and the imparting of knowledge and ideological and moral education promote each other.

Young students have a strong inclination to imitate others. In the development of their ideology and moral character, the role of examples is extremely important. The teachers and students are together day after day. In the classroom, the teacher is under the observation of scores of students. The teacher's ideology, behavior and attitude toward other people--in short, every one of his words and actions--influence his students in a subtle way. Some of his actions and words will leave indelible impressions on the students' minds. Therefore, it is very important for teachers to strengthen their own moral character and strengthen self-cultivation. Teachers must not only pay attention to imparting knowledge and fostering their students' lofty moral character, but also always play an exemplary role and persist in the unity of teaching by words and teaching by example.

In teaching, the unity of academic education and moral education, the unity of acquisition of knowledge, emotional development, development of willpower and behavior, as well as the unity of teaching by words and teaching by example, can be summarized as the unity of teaching book knowledge and educating students as persons. In the past, the leftist and rightist deviations in ideological education were owing to the artificial separation of teaching book knowledge from educating students as persons, or owing to stressing only one of these two things. The vast numbers of teachers have rich experience in both teaching book knowledge and educating students as persons. At present, we must observe the laws of education, sum up the teachers' experiences, strengthen and improve ideological education in teaching, and improve the quality of teaching in an all-round way.

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THE INDIVIDUALITY OF CREATION AND THE SPIRIT OF THE TIMES

Beijing RED FLAG in Chinese No 1, 1 Jan 82 pp 41-44

[Article by Li Zhongyue [2621 0022 1471]]

[Text] Since the smashing of the "gang of four," and especially since the 3d Plenary Session of the 11th CCP Central Committee, the vast numbers of literary and art workers have, under the guidance of the line laid down at the third plenary session, smashed the fetters of leftist literary and artistic ideological trends, restored and fostered the realist tradition in literature and art, dared to look life in the eye, think independently, and carry out bold innovations. They have paid closer attention to using their own unique individuality of creation to reflect the objective truth of life and express people's thoughts, feelings and aspirations, thus enabling a lively scene to emerge in the field of socialist literature and art. The rapid progress that our country has achieved within just a few years in literature and art is worthy of conscientious study and scientific summation, so as to promote the even healthier development of socialist literature and art. However, we must not fail to recognize that, when it comes to the question of how to deal with certain works at present, certain individual comrades have put forth erroneous theories and views. For example, they emphasize that artists should only display "the emotions, vicissitudes and spiritual world of the individual." "They do not need to stoop so low as to act as the mouthpiece of the spirit of the times" and "they do not need to stoop so low as to show the great achievements that lie outside the world of personal emotions," and "should even avoid these by writing about the experiences and heroic struggles of characters that we have grown accustomed to and by describing scenes of selfless labor." Furthermore, they put forth this erroneous view as a "new aesthetic principle." This brings up the question of how to understand the individuality of creation, the relationship between the individuality of creation and the times, and the relationship between the individuality of creation and the reflection of the lives, struggles, thoughts and emotions of the masses. We should realize that, since this is put forth explicitly as an "aesthetic principle," it is necessary to discuss the problem of the relationship between the individuality of creation and the spirit of the times.

Does literary and art creation call for an individuality of creation on the part of the artist? The answer is yes. Literary and art creation is complicated individual mental labor. Literature and art provide a means for people to become masters of the world. Its characteristic is that of using concrete artistic images which are capable of arousing emotions to reflect the substance and generality of life. Its special point is to adopt the thinking, emotions, personality, encounters and fate of man--man who is at the center of social relationships--as the main object of understanding and description, and then, through the object described, to proceed to unfold a complicated, abundant picture of a particular time that is full of contradictions and struggles. This means that literature and art clearly possess the characteristic of sentiment. As for the source of the so-called desire to create, this is not to be found in any abstract concept or fixed theme, because it is the result of the contradictions and conflicts of life, the thoughts and emotions of characters, the generality (universality) obtained by characters from the social environment which they find themselves in and the particular character (individual style) with which they display this generality, reacting on the thoughts and emotions of the artist and eliciting strong sympathy. On the whole, in the course of creating, the artist has merely placed the object that he has described in a particular temporal, social and class environment and devoted his efforts to describing the special character of the thoughts, emotions, morals and conduct which it possesses. It is only in this way that he is able to write true-to-life, vivid and evocative artistic images, or we might say that artists can bring their description of artistic images to the level of clarity and vividness. This means that artists must bring into play what they have accumulated during their lives, proceed from their experiences in life and emotional experiences, spread the wings of their imagination, penetrate the innermost thoughts and feelings of the characters and empathize with them, so that the artists will have a deep knowledge and mastery of unity of the social substance and special character of the object described. It is precisely in the course of this vivid inner understanding and empathy that the artist, on the one hand, acquires an ever-deepening feeling for and understanding of the thoughts and emotions of characters and accurately and profoundly masters the unity of the social substance and personalities of the characters, and, on the other hand, endows his characters with some of his own thoughts, emotions, feelings and experiences (which are also restricted by a specific temporal, social and class environment). We can see that every artistic image created by an artist mirrors his own individual assessment of the social politics, morality and aesthetics of the things described by him, and these are brought out by his own unique artistic style and devices. Therefore, from content to form, works of literature and art are bound to clearly bring out the individuality of the artist. These include the artist's own individual feelings, experiences and knowledge of social life, the sum total of his own individual psychological characteristics (including personality, pastimes, interests, morals, mental qualities and cultivation), as well as his own individual way of thinking in images and mode of expression. True works of literature and art cannot help bringing out the individuality of the artist. Most narrative works are like this, not to mention the creation of lyrical works with a strong flavor of "I" (lyric poetry, lyric art, lyric music, lyric dance, lyric prose and so forth).

Since literary and art creation is inseparable from the artist's individuality of creation, what and how the artist writes must be governed by his individuality. He can only select subjects suited to his individuality and things with which he is familiar, which he truly has a unique feeling for and knowledge of and which he really is worked up about. It is only in this way that he can display his strong points and avoid his weak ones, achieve a degree of proficiency and, by calling on his wealth of imagination, create true-to-life, evocative, and original works of literature and art. The artist is best able to feel for subject matter and characters that he is interested in. What things he will be good at understanding and in respect of which he will have unique views and discoveries, and on what things he will best be able to use his artistic imagination, are not determined simply by directives from the executive or by other people's orders, but by the artist's direct or indirect experience of life, thoughts and emotions, temperament and character, cultural knowledge, aesthetic tastes and artistic values. Just as there are never two completely identical leaves in the world, so the individuality of creation varies from artist to artist. It is also precisely their uniqueness and originality, the feature that distinguishes them from others in their creation, in other words, their individuality of creation, which enables true works of literature and art to possess inimitable characteristics. They always display new discoveries and openings in life, thus enabling the world of literature and art to be eternally resplendent with brightness and color.

It can be said that all the outstanding works and lively and evocative artistic images that have emerged in large numbers in the world of socialist literature in our country in recent years were closely related to the unique feelings and knowledge of life of their authors. Characters in works about the industrial battlefront include Jiang Zilong's factory manager Qiao ("Factory Manager Qiao Assumes Office"), Zong Fuxian's and He Guofu's Luo Xingang ("Blood Is Always Hot") and Shui Yunxian's Fu Lianshan ("Domestic Strife"). Characters in works about rural life include Gao Xiaosheng's Chen Huansheng ("Chen Huansheng Goes to Town"), He Shiguang's Feng Yaoba ("On the Farm") and Zhang Yigong's Li Tongzhong ("Story of the Convict Li Tongzhong"). As for characters in works about cadres, Zhang Siyuan in "Butterfly" is radically different from Che Pengkuan in "Pioneer." As for characters in works about intellectuals, both Lu Wenting in "When One Reaches Middle Age" and Mei Puti in "Wedlock" possess their own characteristics. As for works on youth, women and armymen, these are all full of variety and differ considerably from each other in their forms. It is precisely these artistic images, which are rich in substance, that, from different angles and profiles and by reflecting certain inevitable demands made by real life concerning substance and historical development, constitute a new trend in socialist literary and art creations of the new period. Therefore, respecting and caring for the developing of the individuality of creation of artists is one of the basic premises for developing a flourishing socialist literature and art. Without the uniqueness and originality in creation of artists, there can be no true artistic creation and development.

Creation calls for individuality. However, the individuality to be found in literature and art is definitely not the manifestation of the artist's own individual subjective spirit or his own narrow "self-expression." Why? As has been said before, it is only when the artist has acquired a deep understanding and mastery of the unity of the general and specific character of the object described that he can create a clear and vivid artistic image. That is one side of the coin. The other side is that the artist's own individuality of creation is not innate, but formed and developed in the environment of a particular period, society and class. The feelings, experiences and understanding that the artist has in regard to social life, the sum total of his psychological traits, the characteristics of his thinking in images and mode of expression--all constitute the key elements of his own individuality of creation and were all formed and developed under specific social and historical conditions and through personally experienced social practice. Even the artist's individual physiological qualities and the physiological base that constitutes his individuality are not only acquired by him at birth but also acquired, developed or lost in later life under the historical conditions of society. If we separate the spirit of the times from the individuality of creation for the sake of opposing the transformation of literature and art into a mere mouthpiece of the spirit of the times, and regard literary and art creations merely as narrow "self-expression," we are bound to degenerate into the evil individualization of divorcing ourselves from the times and from the people. Furthermore, this individualization is basically not determined by the will of the individual, but by the historical development of the objective world. It will then be the product of the social phenomenon of a current going against the trend of history.

In essence, the relationship between the individuality of creation and the spirit of the times is the relationship between the subjective world and the objective world and between individuals and the community. Gorky once said, "An artist is a man who is good at refining his own subjective impression and deriving from it objective things of universal significance. He is also good at expressing his concepts in his own way." ("Gorky on Literature," compiled by Lin Huanping, p 6) An important criterion for an artist is that he must be good at expressing his concepts in his own way and, what is even more important, be good at analyzing and refining his own subjective impression, deriving from it material which conforms with reality and has the universality and significance of inevitability, and expressing it.

Undoubtedly, anything subjective is in essence a reflection of the objective. Nevertheless, not all subjective things correctly reflect the objective. Likewise, not all subjective experiences and understandings of an artist have the same value and significance. We cannot say that each subjective experience and impression of an artist or any characteristic of his subjective side is reasonable and valuable and is worthy of affirmation and manifestation. The reasonability and inevitability of individuality of creation lie exactly in that it is a concrete and unique form of reflection of the objective social contents that have universality and are of the significance of inevitability. Only if the artist's subjective experience or the difference of individuality is at the same time the unique reflection and manifestation of objective social content can it constitute the true individuality of creation. This means that it should be one's "own" unique experience and understanding and at the same time it should be able to reflect and express objective social contents of universal significance. Therefore, the value of "self" in artistic creation does not lie in showing one's unique experience and unique expression alone. What is of decisive significance is whether the unique experience and expression reflect, and to what degree they reflect, the objective reality of life, express the thoughts and feelings of the masses and embody the inevitable demands of history and the times. People who do not analyze or refine their own subjectivity, who are content with expressing their trivial desires and narrow thoughts and feelings, and who regard the individuality of creation as something purely subjective, individual and wishful, are in fact not respecting and advocating the individuality of creation. On the contrary, they are sabotaging the individuality of creation and artistic talent. This kind of "self" has nothing to do with true individuality of creation and has no objective aesthetic value no matter how loud the calls for it are or how unique the expression of it is.

The reason why the "new principle of aesthetics" is not correct is that it one-sidedly stresses an artist's "self-expression," cuts off and denies the flesh-and-blood relationship between the artist and society, the times and the people, and turns literature and art into a pure individual undertaking. Just imagine: if an artist adopts an indifferent attitude toward social life and the people's labor and struggle as being "not within the realm of self-expression" and regards them as "not requiring the least of his attention" and only seeks, and is given to "secrets of life which are embedded in the heart"--no matter whether these "secrets" in the heart are manifestations of individual subjective spirit--how can these "secrets" constitute the true individuality of creation which coincide with the times and the needs of appreciation of beauty by the masses and which remain unique to him? Since this kind of individuality excludes and is divorced from the needs of the times and the people, it unavoidably appears in obscure forms which are difficult to understand and reveal ambiguous views toward social life, blur and present illusory sentiments and adopt a wavering attitude. This so-called individuality of creation--if it can be regarded as such--is merely a pale manifestation of the lack of thoughts and of being weak in willpower and cold in feelings. It is the product of shutting oneself up in one's inner world and setting oneself apart from the people's life. This path of creation will only result in one's losing artistic vitality. If a person engaged in artistic creation adopts an indifferent attitude toward the seething real life and toward the people's struggle, thoughts and feelings, he cannot master life and participate in a struggle. He cannot even be an observer. Much less is he worthy of the name of artist!

In artistic production, it is the people's needs that play a decisive role. In the final analysis, the value and function of literature and art is to reflect the nature of life by means of individualized forms so that the people will obtain from them ideals, confidence, strength and orientation; it is to meet the people's needs of appreciation of beauty; and it is to help the people to push history forward. No matter whether an artist has realized this, the receptivity of his work always depends on whether it meets the needs of the people in a specific society. The formation of his individuality of creation can never be separated from the demands and influence of the times. The history of the development of literature and art has repeatedly proved: "The more outstanding a poet is, the more he belongs to the society in which he has been brought up and the closer is his talent's development, inclination and even characteristics linked with the historical development of the society." ("V. G. Belinskiy on Literature," p 22) On the contrary, "The moment a man's relationship with this world has reached such a state that he regards 'self' as 'the sole reality,' he has inevitably become an out-and-out pauper in thought." (G. V. Plekhanov, "A Letter Without an Address--Art and Social Life," p 274) Therefore, the strength of the individuality of creation can only come from the flesh-and-blood relationship between an artist and the times and the people. Only by placing himself in the current of the people and the times and continuously absorbing the strength of feelings and thoughts can an artist's individuality of creation become vital, profound and powerful. If a socialist artist drowns himself in a secluded corner deep in his heart of "self" and cuts himself off from the "arteries" and the "umbilical cord" of the times and the people, his talent and individuality will certainly wane and wither for lack of nourishment from the people and life, and his feelings and thoughts will certainly become radical, odd and fantastic for lack of corrections by social practice. To an artist, what is more dangerous than losing the ability of creation? In the past few years, there have been a very small number of writers who strive to use fantastic plots and write things to stimulate sensuality. Vulgar and cheap aesthetic interest and serious distortions of real life are found in their works. The reason this has occurred is that the relationship between these writers and the times and people has deviated from the cause of socialist literature and art.

We are socialist writers and artists. Serving the people and serving socialism is the firm and unshakable orientation and the sacred mission of each literary and art worker. At present, our country has entered a new historical period of carrying out overall socialist modernization. In this period, there are numerous new things and new contradictions which artists have to familiarize themselves with and study. In particular, under the present condition with numerous intricate and complex thoughts and social contradictions, writers and artists are faced with the central task of correctly understanding themselves and correctly understanding the times so that they can correctly and penetratingly reflect the times and manifest the spirit of the times. This arduous and glorious task demands that artists foster a richer and more powerful individuality which meets the needs of the times and the people. In order to achieve this, it is imperative to get deeply involved with the new life and practice, to participate in the great struggle of the masses for building the four modernizations, and to more seriously analyze our own experiences and impressions while seeking and discovering our subjective experiences and impressions of life in order to find out how much we fall short of the needs of the people and the demands of the times. In other words, in the course of reforming the objective world, we must continuously reform our own subjective world so that our individuality of creation can develop and can be improved and we can truly become the natural bearer of the spirit of the times and the people's will. This requires that artists should seriously study and grasp Marxism-Leninism-Mao Zedong Thought, and not the opposite. This should be the only correct road for the formation of a revolutionary artist's basic quality and his individuality of creation.

The people are the mother of literary and art workers. Let us "consciously draw source material, themes, plots, language, and idyllic flavor from the people's lives and nurture ourselves with the people's spirit of working with a will to create history"; we hope that the individuality of creation of artists becomes the accent of the times and the resonant echo of the people's sentiments and desires and not merely the nurse of artists' souls.

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THE CYCLE OF REPRODUCTION AND THE CHARACTERISTICS OF ECONOMIC CRISES IN POSTWAR CAPITALISM

Beijing RED FLAG in Chinese No 1, 1 Jan 82 pp 45-48

[Article by Xiong Xingmei [3574 1840 5019]]

[Text] The development of basic contradictions in capitalism determines the regularity of the cyclical movement of capitalist reproduction and the inevitability of periodic eruption of economic crises. However, in the course of capitalist development, manifestations and specific forms of the periodic process in social reproduction and of economic crises varies under different historic conditions. Since World War II, the scientific and technological revolution has greatly developed. It has brought about tremendous changes in the national economic structure in many capitalist countries. Nonproductive economic sectors have expanded; economic relations among states or among groups of states have grown rapidly. At the same time, the major capitalist states have strengthened their intervention in the economy. In particular, they have tried by all possible means to increase investment and consumption so as to enlarge market capacity. These new conditions exert a great influence on the supply of goods and services in contemporary capitalist society. Thus, the reproduction cycle and economic crises have different characteristics from those in the past.

The Four Stages of a Cycle Are Not as Distinct as in the Past

After a certain stage in the development of capitalism, reproduction is marked by cycles. After a crisis, through depression, recovery and upsurge, conditions for a new crisis are prepared.

Under the conditions of state monopoly capitalism, the four stages do not replace one another in a clear-cut order; the unique and distinctive characteristics of each individual stage have become vaguer than before. This is one of the new characteristics. Fluctuations between different stages are becoming smaller, with partial crises and stagnation often interrupting a certain stage. This results from the fact that states make their day-to-day (short-term) economic regulations in accordance with the development of this cycle: when the economy is brisk, by reducing the expenditure on social security and the like and by increasing taxes to increase revenue, states can concentrate funds; when depression arises, by reducing taxes and increasing social security and other government expenditures, these funds can be infused into the economy again to stimulate effective demand. If this redistribution of funds does not restrain the economy from declining, the state will further increase expenditure, implement deficit financing and artificially create purchasing power. The continual state regulation of market demands can certainly exert a huge influence on the cyclical process.

It is not easy to distinguish the stages of depression and recovery. They are often replaced by slow resergence or production fluctuations. This phenomenon mainly arises from credit expansion and other financial measures pursued by major capitalist states when the economy is tending toward a decline. Sometimes, retrenchment measures are imposed immediately after strong stimulation to prevent so-called "economic overheating." To a certain extent, this results in temporary stagnation and fluctuations which interrupt the regular interchange of different stages in a cycle. As an obvious example, in the mid-1960's, production fluctuations occurred frequently in the course of economic growth in the West European countries; unstable low speed growth and production stagnation occurred alternately after crises.

Simultaneity and Nonsimultaneity Appear Alternately in Economic Crises

In the period of nonmonopoly capitalism, along with the development of world markets and the formation of a world capitalist economic system, unified cyclical activity of capitalist reproduction was an increasingly obvious tendency. Eruptions of economic crises in major capitalist countries tended to be relatively simultaneous. After capitalism entered the monopoly stage, international capital relations were further strengthened, but crises occurring in major capitalist countries were still obviously simultaneous.

Under the conditions of contemporary capitalism, there are two important factors simultaneously playing roles in the cyclical activity of reproduction. Along with the further internationalization of production and capital, economic ties between states and areas have been strengthened to an unprecedented degree. At the same time, along with the development of state monopoly capitalism and strengthened state intervention in the economy, monopoly regulation has also continually exerted influence on the cyclical process. Both these forces influence social reproduction and give rise to the following results: On one hand, economic crises in the capitalist countries vary in all aspects--they are different in intensity, in timing and in their duration. On the other hand, in analyzing the capitalist world as a whole, unified capitalist cycles still exist and an economic crisis has not lost its universality.

After World War II, five worldwide economic crises occurred in the capitalist world.

The first crisis occurred in the early postwar period. The degree of wartime destruction in capitalist countries and their progress in reconstruction varied greatly, thus resulting in greatly different cyclical processes in capitalist reproduction. An economic crisis occurred in 1948-1949 in the United States, and in West Europe and Japan a crisis occurred in 1951-1952. All of them had the characteristics of postwar periods but they were obviously not concurrent.

The second crisis occurred in 1957-1958. It was a concurrent worldwide economic crisis which covered a broad scope.

The third occurred in the 1960's. After the upsurge of large-scale investment in fixed capital in the early 1960's, industrial production declined and a crisis-like stagnation occurred one after another in France, West Germany, Japan and Britain in the mid-1960's. In the United States, there was also production stagnation in 1966, but along with the escalation of the Vietnam war, huge amounts of military expenditure propped up the U.S. economy and postponed the eruption of the crisis until 1969. The non-simultaneity of this worldwide crisis was very pronounced.

The fourth was the economic crisis storm in 1974-1975, which was aggravated by the eruption of the oil crisis which engulfed the entire capitalist world. It was a concurrent worldwide economic crisis of the gravest degree since the big crisis in the 1930's and since the capitalist states strengthened their intervention in the economy.

The fifth crisis was reflected in the slowdown of economic growth since 1979 and the prevailing economic decline and stagnation since 1980 in the major capitalist countries. In the EEC countries, industrial production declined for four seasons running; unemployment increased sharply and chalked up postwar records. This worldwide economic crisis affects the entire West but has hit especially hard the West European countries. Its concurrency is rather noticeable.

It should be pointed out that the worldwide economic crisis is of a universal nature. During the periods of 1953-1954, 1960-1961 and 1970-1971, phenomena such as industry declining and unemployment rapidly increasing occurred in a small number of capitalist countries. But they can be considered as only partial crises.

To sum up, from the end of World War II up to now, the five worldwide economic crises in the major capitalist countries occurred in alternation concurrently and inconcurrently. Together with several partial crises, they form a united activity in the cycle of postwar capitalist reproduction.

The Impact of Economic Crises Becomes Relatively Weaker

Another characteristic of economic crises in the contemporary capitalist world is that their impact is becoming relatively weaker. No crisis as grave as the one in 1929-1933 has arisen since World War II.

In this period, although economic crises and stagnation did occur in the capitalist countries, they were not as serious as those before the war, and generally, their durations were shorter. This is mainly the result of the fact that, under the conditions of state monopoly capitalism, regulatory measures imposed by the governments not only stimulate market capacity, but also artificially create demand, thus weakening, and sometimes greatly mitigating, the impact of the crisis on the economy.

Second, the great influence of scientific and technological revolution on the cyclical nature of the economy cannot be neglected. The major capitalist states have strengthened their intervention in the economy, thus bringing about a great advance in the scientific and technological revolution. Newly developing industrial sectors have arisen one after another. These new industries do not take the same course in their development. Industrial sectors such as the war industry, space industry and nuclear power industry mainly rely on the state market, and their economic activities are relatively stable. Even in the periods of economic stagnation, chemical, petrochemical and electronics industries are still able to expand business and exports. Although the degree of their influence on the cyclical process differs, the rise and development of these new industrial sectors forces the proportion of the old sectors in the economy to shrink day by day and creates various new market demands. Thus, the effects of the economic crises have been relatively small.

In addition, owing to the great efforts by the countries to expand credit, the production of and markets for durable consumer goods have been increasingly expanded. These commodities gradually lose their values in the course of consumption. This is similar in some ways to the consumption of production equipment and machinery. But the renewal of durable consumer goods often differs in timing from the renewal of industrial fixed capital. This is conducive to mitigating the fluctuations in reproduction periods.

Furthermore, both the continuous growth of postwar international trade and the rapid development of transnational companies since the 1960's are conducive to monopoly capital expanding foreign markets abroad and to shifting crises onto others. Of course, we cannot overlook the tremendous damage many Third World countries have sustained as a result.

Finally, the nonsimultaneity of some crisis eruptions in major capitalist countries can also, to a certain extent, mitigate the impact and severity of the economic crisis.

Under the conditions of state monopoly capitalism, the impact of economic crises is becoming weaker. But this does not mean the negative effect of the overproduction crisis law relating to the basic contradictions of capitalism is tending to vanish. This negative effect manifests itself in other ways.

In contemporary capitalism, states unceasingly strengthen their anticyclical regulatory measures; monopoly organizations also greatly strengthen their control over marketing and production of some important commodities. At the same time, they improve business forecasts and correspondingly adopt new management techniques to regulate enterprise production and stocks. Under these conditions, severe overproduction seldom results in the former measures of large-scale destruction of production equipment and the discarding of commodities. It mainly manifests itself in the idleness of a large amount of production capacity. Stalin pointed out in the 1930's that the extremely low utilization of capacity had become a frequent phenomenon. Since, in state monopoly capitalism, states try by all means to expand markets and major companies also continually regulate their production and stock, there is a chronic phenomena in which the utilization of capacity is frequently and extremely low. In the periods of postwar crises, the utilization of capacity in the U.S. manufacturing industry declined to 70-80 percent; even in noncrisis years, the utilization was generally only 80-85 percent; but the amount of commodity stock was much lower than in the 1930's.

Economic Crises and Monetary Crises Erupt Simultaneously and Mix With Each Other

The most noticeable manifestation of the contemporary monetary crisis is the wide-ranging and severe inflation. On the one hand, major capitalist states have been implementing the Keynesian financial policies of expanding credit, which have resulted in increasingly severe inflation in these countries. On the other hand, money devaluation in these countries has affected their money value stability vis-a-vis other currencies. Besides this, over a long period of time, the United States took advantage of the privileged position that the U.S. dollar had gained in the world monetary system to export inflation, thus bringing about worldwide inflation.

When the gold standard came into effect in monopoly capitalism, the simultaneous eruption of economic and monetary crises often shocked the credit system and resulted in the bankruptcy of a large number of banks. In state monopoly capitalism, despite the fact that inflation has become more and more frequent and severe, and has interacted with the economic crisis as they occurred simultaneously, the banking system has not been seriously threatened. During the economic crisis of 1974-1975, bank bankruptcies occurred in the Western countries and involved some major banks in the United States and in West Europe. But the scope and severity of the crisis were far less than the financial storm in the big crisis of the 1930's. The reason that the crisis of 1974-1975 was far less intense than the crisis of the 1930's is the state's intervention in the financial industry: at that time, the central banks of the eight West European countries, the United States and Japan reached an agreement to make all efforts to rescue the commercial banks which had sunk into dire straits. At the same time, the improvement of their banking system, including the deposit insurance system, also helped a lot.

Contemporary monetary crises also take the form of international financial crises. This is reflected in the instability of the currencies of capitalist countries, first of all of the U.S. dollar, in the gradual disintegration of the international monetary system of which the U.S. dollar was at the center, and in the resulting disturbance and disorder of international financial business.

The international monetary system centering on the U.S. dollar was founded on the agreement of major capitalist states. By this arrangement, state monopoly capitalism of these countries could be united to administer and control the capitalist monetary system on a worldwide basis. Under this arrangement, the U.S. dollar functioned as the intermediary between gold and other currencies. This system was based on the condition that the United States was very strong both politically and economically. Along with the U.S. economic position declining and the appearance of its adverse balance of international payments, the U.S. dollar's status as the monetary system basis of the entire capitalist world was ruined; its gold reserves unceasingly flowed out. At the same time, along with its ceaseless devaluation, the external credit of the U.S. dollar was also shaken. Since the early 1960's, the U.S. dollar has experienced frequent crises. However, these monetary crises were not manifested in runs on gold or on banks, but rather in the panic rush to purchase gold and other currencies on the international financial market far away from U.S. territory. Despite the all-out efforts of the United States to maintain the strength of the U.S. dollar, its official external price differed increasingly from its internal price and its maintenance at least became impossible. In August 1971, the U.S. dollar ceased being exchangeable for gold. In 1973, almost all the Western industrial countries abandoned fixed exchange rates and adopted floating rates. This marked the final disintegration of the international monetary system centering on the U.S. dollar. It also showed the limitations of the united measures of state monopoly capitalism.

Since the floating exchange rates went into effect in Western countries, exchange rates of their currencies and gold price are decided by the relationship between supply and demand, and are also affected and regulated by political, economic and other factors, thus changing frequently and in a disorderly way. For example, the price of gold jumped from $37 per ounce in 1971 to over $800 in early 1980. After that, owing to the high U.S. interest rates and other factors, the gold price dropped sharply again. Disorderly fluctuations of currency exchange rates and gold prices demonstrated the partial failure of the efforts of international state monopoly capitalism to establish a stable monetary system worldwide, thus causing disturbance and disorder to the circulation of international short-term funds and to financial business. That is the substance and typical manifestation of international financial crises since the disintegration of the international monetary system centering on the U.S. dollar.

Economic crises and inflation mutually restrict each other. But inflation and international financial crises interact--they intensify each other. The fact that these three factors mingle with each other and occur simultaneously reflects the severity of economic crises under the conditions of state monopoly capitalism.

In recent years, in the major capitalist countries industrial production growth has slowed or even stagnated, unemployment has drastically increased, and together with striking price rises, these have generally been called "stagflation" in the West. This is the most pronounced characteristic in the cyclical process of capitalist reproduction. In general, countries bogged down in "stagflation" can never for a minute lose their government's support by intervention and the financial credit lever which prevent economic crises from worsening; neither can drastic measures of expansion be taken to stimulate rapid economic growth, for they will cause prices to rise uncontrollably. Thus these countries are often locked in a dilemma.

These comprehensive economic phenomena in the capitalist world appeared in the late 1960's and became prominent in the early 1970's. Over the entire 1970's, they further developed. Not only have they become prevalent in the capitalist world, but they are also regular phenomena in every individual stage of the capitalist cycle. They demonstrate an inevitable tendency in the development of state monopoly capitalism.

CSO: 4004/21

A FEW SUGGESTIONS FOR IMPROVING THE AGRICULTURAL PRODUCTION RESPONSIBILITY SYSTEM

Beijing RED FLAG in Chinese No 1, 1 Jan 82 inside back cover

[Article by Yu Yaozhong [0151 6540 0022] of Huai'an, Jiangsu Province]

[Text] How should the agricultural production responsibility system be gradually improved? I have a few suggestions, as follows:

1. The forms of the responsibility system must be relatively stable.

Premature "finalization" is of course undesirable, but relative stability is essential. The responsibility system established through fully democratic discussions in accordance with the wishes of the masses which suits the actual condition of the localities and the production brigades and production teams, no matter what form it takes, should be relatively stabilized. There is now an argument that "full assignment of responsibility is full emancipation of the mind, linking remuneration with output is semi-emancipation of the mind and fixed-quota management is not emancipation of the mind" spreading far and wide in some places. This has disturbed the production brigades which are practicing the production responsibility system of linking remuneration with output and the system of short-term work contracts so that they do not know what course to take. Owing to diverse and confused opinions and hesitations about what to do and what not to do, some localities have to switch from one form of the responsibility system to another: fixing quotas for each group in winter, fixing quotas for each household in summer and giving full assignment of responsibility another try after autumn. The constantly changed forms of the responsibility system and changeable minds of the commune members have become a "bodhisattva in a water vat--an indeterminate god." Therefore, to stabilize the forms of the responsibility system and set people's minds at rest is not only the wish of the masses but also the foundation for improving the responsibility system.

2. The production teams must not be "empty-handed teams."

By the term "empty-handed teams," I mean that the means of production of the collective economy have all been shared out and the production items under collective operation have all been handed out. The emergence of the "empty-handed teams" is the result of failing to have an all-round understanding of the implementation of the production responsibility system. It must be correctly realized that the implementation of the production responsibility system is aimed at mobilizing the enthusiasm of both the collective and the individual, expanding production, strengthening the collective economy and improving the livelihood of commune members. For this reason, the mobilization of the enthusiasm of the collective and the expansion and the strengthening of the collective economy must not be ignored.

3. The tendency toward extravagant eating and drinking must be checked.

It goes without saying that it is a good thing to give mutual aid in rush seasons. But in the summer harvest season this year, some localities treated those whom they invited to help as guests. They busied themselves in buying fish, pork and greens and in serving rich dinners to the guests. Furthermore the peasant households vied with one another in serving dinners to their guests, and they had to spend at least 10 to 20 yuan, or even 20 to 30 yuan, in this way. Some people hold that so long as the grain and property of the collective are not eaten or spent, there should be no interference in the practice of mutual aid and the give-and-take among commune members, which is called "dragonflies eating their own tails." This opinion is not correct. We must encourage mutual exchange of labor, display the spirit of cooperation, be industrious and thrifty in managing a household, and run all undertakings in an industrious and economical way.

4. Output must be honestly reported.

There has been an argument that "one must not be vague on the part within the fixed quotas under a contract, but it is justifiable for one not to be so strict on the portion in excess of output quotas under a contract." For this reason, some localities took the fixed targets in a contract as the real output of this year's summer grain output, excluding the portion in excess of output quotas under a contract. This is mainly because they are afraid that the state will raise the purchase base because "when the river rises the boat goes up." It is imperative to be realistic and practical in this respect. The results of production should neither be exaggerated nor denied. Particularly in the first year when the production responsibility system was introduced, whether the work in reporting the output is done well has a bearing on the work in the coming years. If things are not done well in the first year, then they will be repeated in the second year because there is a precedent. So it is important for the departments concerned to seriously implement the principle that the state purchase base must not be changed for 5 years once it is fixed.

5. Cadres must concern themselves with the affairs of the collective.

Now there is a false impression among some cadres. They hold that "with the responsibility system, the cadres have nothing important left to do. With the heavy load being shouldered by everyone, the cadres feel they can have a breathing spell." The masses of commune members feel very anxious about this state of affairs and say: "Brigade cadres are hard to find, team cadres are devious; when problems are encountered no one knows what to do." This is because, since the implementation of the production responsibility system, new conditions and new problems have emerged which call for timely study. The masses of commune members urgently ask the cadres to strengthen leadership, do more work and find solutions to problems. For this purpose, the cadres at various levels, primarily brigade and production team cadres, must regard the whole farmland of the brigades and teams as their own responsibility plots and rack their brains and take an interest in the affairs of the masses of commune members instead of setting their eyes only on their own responsibility plots.

6. Financial control must be tightened.

The financial affairs of some production teams are not in order, a condition about which the masses of commune members have made many complaints. They say that they would rather suffer losses in the open than suffer losses in the dark. By the term losses in the dark, we mean such problems as confused financial affairs, unplanned and wanton increases in expenditures and subsidies, waste in doing things, corruption and embezzlement of public funds, and the practice of taking more than one's share. In a certain sense, in the matter of improving the production responsibility system, the masses of commune members pay most attention to the democratic financial work. Therefore, it is necessary to rectify the financial work and tighten financial control.

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30 March 1982

China Report

RED FLAG

No. 2, 16 January 1982

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CHINA REPORT

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CONTENTS

Study History, Display Patriotic Spirit (pp 2-5)
(Wang Zhen) 1

Acquire a Clearer Understanding of Guiding Thought Concerning Correct Rural Work (pp 6-10)
(Chen Pixian) 8

The Progressive Forces Are Bound To Triumph Over the Decadent Forces (pp 11-12)
(Shi Jian) 17

Enhance Theoretical Cultivation, Raise the Ideological Level--Study Volume 1 of the 'Selected Works of Liu Shaoqi' (pp 13-15)
(Wu Liping) 21

It Is Necessary To Pay Great Attention to the Study of Marxist Theory--After Reading Liu Shaoqi's 'Reply to Comrade Song Liang' (pp 16-18)
(Yu Haocheng) 27

Socialist Human Resources System Engineering (pp 19-22)
(Qian Xuesan) 31

Give the Peasants More and Better Spiritual Nourishment (pp 23-26)
(Zhou Weishi) 39

Persist in Studying Modern Chinese History Under the Guidance of Marxism-Leninism-Mao Zedong Thought--Comments on 'From the Opium War to the May Fourth Movement' (pp 18, 27-29)
(Qi Longwei) 46

CONTENTS (Continued)

Lay a Good Foundation for Theoretical Study by Cadres (p 30)
(Li Xu) 53

An Important Document Guiding the Restructuring of the Economic System--Studying Comrade Chen Yun's 'New Problems After the Basic Completion of Socialist Transformation' (pp 31-34)
(You Lin) 55

Question: In Our Present Efforts To Implement the Economic Responsibility System, We Emphasize Integrating Responsibility, Power and Interests; How Does This Relate to Integrating the Three Interests of the State, the Collective and the Individual of Which We Usually Speak? (pp 34-35)
(Li Guangyuan) 62

Theoretical Study by Cadres in the Early 1950's (pp 36-37)
(Hu Qilin) 66

Rely on the Collective Economy To Build Material and Spiritual Civilization in the Rural Areas--The Superiority of the Socialist System Seen From the Vast Changes in Nanhai County (pp 38-41)
(Workers in the Propaganda Department of the Guangdong Provincial CCP Committee) 71

Carry Forward the Spirit of Revolutionary Heroism (pp 42-44)
(Liu Junqi) 79

Learn From the Collective Spirit of the Women's Volleyball Team (pp 44-45)
(Sun Shijie) 83

The Impact of the Energy Question on the Economies of the Developed Capitalist Countries (pp 46-48)
(Qian Jinxi) 86

How Did Liu Shaoqi Comment on 'The Inside Story of the Qing Court' (Inside back cover)
(Wu Zhitang) 92

STUDY HISTORY, DISPLAY PATRIOTIC SPIRIT

Beijing RED FLAG in Chinese No 2, 16 Jan 82 pp 2-5

[Article by Wang Zhen [3769 7201]]

[Text] Editor's note: Recently Comrade Wang Zhen invited a few comrades from the Propaganda Department of the CCP Central Committee, the Research Office of the CCP Secretariat and the CYL Central Committee to a discussion meeting at which he expressed his views on studying the modern history of China. In his talk, Comrade Wang Zhen recommended a new book by Hu Chen entitled "From the Opium War to the May 4th Movement," stressing the importance of studying modern history and calling on all people to promote cadres' and youths' study of history and to boost the upsurge of the fine general mood of the society related to book learning, so as to boost the people's morale, inspire their fighting will and display the patriotic spirit of working hard for the growth of the Chinese nation. This talk is of great significance in promoting among the broad ranks of cadres and youths the study of history, the building of socialist spiritual civilization and the strengthening of education on patriotism. We hereby publish the full text of it.

Today, I am going to have a talk with you.

During the past 2 years, I spent the time when I was recuperating after operations by reading a few books on the history of Russia's aggression against China, the biographies of a few historical figures, such as "Biography of Sun Yat-sen," "Biography of Lin Zexu," "The Chronicle of the Life of Huang Xing" and a biography on Yan Fu's life. Later I relatively carefully read a new book by Comrade Hu Chen entitled "From the Opium War to the May 4th Movement." The book contains 27 chapters and a total of 700,000 characters. I originally planned to read it in 2 months, but I finished it in 1 1/2 months. Comrade Hu Chen is a scholar in our party and is an old friend of mine. His book narrates the 80 years of the Chinese nation's history of repeated serious disasters and gives a clear description of every historical event. For us who have taken part in the struggle when our nation's existence was in peril, we feel ever greater pride when we read the history of that period. Historical books of this kind are very useful, especially in educating cadres and youths about history. Such books will make them understand the history of the imperialists' oppression and the Chinese people's resistance, strengthen their sense of patriotism and make them know better why they should support socialism and the party's leadership.

I have had no schooling and little learning. However, I am quite familiar with the history from the Opium War to the May 4th Movement. The history of this period is not only recorded in history books but also spread far and wide among the people. None of my forefathers were scholars either. My father was a farm laborer. In my childhood, I heard him tell us stories about the Taiping army, called "long hair" at that time, who fought against the Qing army and stories about Tao Shu, an official of the Qing Dynasty (editor's note: Tao Shu, a native of Anhua County, Hunan Province, was appointed governor of Jiangsu, governor of Anhui and viceroy of Liangjiang.) I also heard legends about the Hongjiang Hui (Hongjiang River Society), the Ge Lao Hui (Society of Brothers) and other revolutionaries from my father. However, it was not until I joined the revolution that I gained a relatively correct understanding of the history of this period. Chairman Mao once told me that Lin Biao had not even the least knowledge of Chinese history. He told me to draw a lesson from Lin Biao and learn some history. Therefore, I am very pleased when I read a good history book.

The China today has been developed from the China of the past. In the preface of his book, Comrade Hu Chen gives a simple outline of the Chinese feudal society before the Opium war. The whole book narrates and analyzes how China was reduced, step by step, to a semicolonial and semifeudal country due to the aggression of the capitalist powers and narrates and analyzes the several upsurges and setbacks in the revolution in China in the time period of a century. A history book of this kind can be used as a textbook to teach people to understand the law governing the development of the Chinese history and understand the origin of China's present situation. Reading a history book of this kind can relatively systematically teach people to be aware of the difficulties in founding the PRC and, at the same time, help us to understand many problems raised in the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC." For example, the question on the evaluation of Chairman Mao. If we have studied modern history and have a complete view of the great changes during the time period of little more than a century, we will find that compared with other historical figures, Chairman Mao was a statesman of rare gifts and bold strategy, of extensive knowledge, of deep insight and of strong will and a statesman who achieved great merits. We all know that Comrade Chen Yi was a man of great talents and that it was difficult for people to win his admiration; nevertheless, he said that he did admire Chairman Mao. Of course, there have been quite a few outstanding figures in China's modern history, such as Zhou Enlai, Liu Shaoqi and Zhu De, who were all outstanding leaders of our party and our people. Besides, there have been many well-known thinkers, politicians and generals and excellent scholars and artists. We must say that without these outstanding historical figures and particularly without Chairman Mao, the Chinese nation could not be what it is today. We should not negate Chairman Mao's immortal contributions in Chinese history because he committed mistakes during the "Great Cultural Revolution'" When we have read some history books and have got some understanding of China's history over the last century, we will naturally and logically affirm Chairman Mao's historical position.

This book by Comrade Hu Chen contains a great amount of materials and makes a historical materialist analysis of people and events. This shows Comrade Hu Chen's meticulous scholarship. We should hold such scholars in respect. Regarding China's modern history, there are quite a few books available, even when not including this one written by Comrade Hu Chen. Moreover, there is not merely a single area of historical research in all of the academic and theoretical circles. For many years, many comrades have done a great deal of hard work in various academic fields and have achieved great results. What they have done is very necessary and very valuable for our socialist modernization and for our struggle for world peace. Any scientific, literary or artistic works and any effective creative labor that contribute to the four modernizations and contribute to arousing the people's fighting will and their patriotism for our great motherland must be affirmed. Whether we have adopted a correct policy in treating our intellectuals and whether we have adopted a correct attitude toward the excellent results of mental labor and spiritual production is a major issue that concerns the success and failure of the socialist cause. When I was young, I had many contacts with intellectuals. After the May 4th movement, I was a janitor for some railway senior clerks. Because of the ideological influence of the May 4th movement and because of the influence of the workers movement, these clerks, school-aged children, had changed their attitude toward workers. They not only did not look down upon us workers or treat us as servants, but also made friends with us. The times were progressing and so were the intellectuals. I should say that since my first contact with such progressive intellectuals, they have made a good impression on me. In the long-term revolutionary struggle since then, I have never committed mistakes related to intellectual problems. Chairman Mao once said to me, "Wang Shiwei would not have been killed if he had been in a place in your charge." Naturally, there have been reactionary and bad intellectuals, but their number has been small.

My purpose in inviting you to come here today is to recommend Comrade Hu Chen's history book and to propose to you that our cadres and youths should read some books about China's modern history. We all keenly feel that our social morality has been much corrupted since the "Great Cultural Revolution." Our party has done a great deal of work in order to change this situation. Comrade Deng Xiaoping's speech on the adherence to the four basic principles and Comrade Ye Jianying's speech at the 30th anniversary of the founding of the PRC contributed to bringing about such a change. The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" approved by the party's sixth plenary session, Comrade Hu Yaobang's speeches at the 60th anniversary of the founding of the party, at Lu Xun's 100th birthday and at the 70th anniversary of the 1911 revolution, and Comrade Zhao Ziyang's report concerning the 10 principles for economic construction also contributed to bringing about such a change. In order to bring about such a change, the All-China Federation of Trade Unions, the CYL Central Committee, the All-China Women's Federation and other organizations have put forth the "five stresses" and "four points of beauty" and the PLA has raised the call for "four haves, three stresses and two nonapprehensions" [having lofty ideas, good morality, knowledge and good health; stressing the army's standard on appearance and bearing, good manners and good discipline and not being apprehensive about either hardship or bloodshed and sacrifice]. By all the above and in addition to the PLA's Fakashan and Koulinshan battles for national defense and against the Vietnamese aggressors, by the heroic struggle against floods and drought in many provinces and areas last year, by the arduous efforts made by the public security and judicial departments in order to safeguard public security, by achieving great results on the agricultural front and in all the sectors which make up the economic front, by making tremendous progress in scientific, educational, cultural, hygiene and sport fields and by opening up a new situation on diplomatic front, we are displaying our nation's heroism and revolutionary spirit. A nation must have its own healthy national trend which constitutes a great strength in uniting the masses and encouraging everybody to actively make progress. Comrade Hu Yaobang said that he particularly upheld livening things up and inspiring and developing our national spirit and morality. A good national spirit and a good national morality marks the prosperity of a nation. Encouraging book learning and establishing a good style of study will open up a path for establishing a good national spirit and a good national morality. We should guide our broad ranks of cadres and youths to study hard, and that includes studying history. One usually has some leisure time after 8 hours of work, labor or study. We should teach people to spend more of their leisure time in reading instead of taking part in recreational activities, and thus create a new social mood of book learning and a new social trend of study. Ours is a socialist country. In this country, unhealthy trends in whatever form are not allowed to run rampant, to pollute the society, to corrupt the people's morality or to hinder our four modernizations. We should mobilize the whole party and the whole people to pay attention to encouraging the practice of studying, especially to paying attention to the studying by youths. The CYL, the trade unions, the women's federations and all other social organizations should strive, under the leadership of the party, to promote a new upsurge in the practice of studying. As Lenin pointed out, "First, study; second, study and third, study." This will remain a slogan that we will lay great stress on.

We should learn modern science and technology and, at the same time, we should learn the social sciences including history. We should not forget the arduous course our nation has undergone and we should not forget our past. In the past, our country was a semicolony divided up at will by other countries. But today our status has been greatly changed. For example, in Comrade Hu Chen's book, he mentioned the fact that a few imperialist powers scrambled for the right to build railways in China. Today, we not only have the full sovereignty in building railways, but also have a strong technical capacity in this respect including hundreds of thousands of railway corpsmen. I was once commander in chief of the PLA Railway Corps and, at that time, I was opposed to situating our headquarters in Beijing. Comrade Peng Dehuai agreed with my view and said to me that we should build our railway up the Himalayas and be buried on the spot that we died. Today, our country has not only completely taken its destiny into its hands and has not only gained independence in deciding its own policies, but is also having political, economic and cultural contacts with various countries and nations in the world on the basis of the principle of equality and mutual benefit. Moreover, we are playing our role in the just cause of world peace and human progress.

The enemies at home and abroad caused grave disasters to the Chinese people. Could there have been such a new situation as today if the Chinese people of all nationalities had failed to carry out their prolonged brave struggle, if they had failed to firmly unite or if they had failed to display their great national heroism and patriotism of striving for the prosperity which has been forged through struggle? Today we have raised our magnificent target of realizing socialist modernization and have charted a path for socialist modernization that suits the national conditions of our country. The strong response this target has aroused from our people has proved that there has been a profound objective basis that underlies this national spirit. We can completely affirm that our socialist system will certainly be able to develop the Chinese national spirit to an ever-higher standard.

Of course, in our country, besides the sabotage activities of counterrevolutionaries and various kinds of criminals, there are still quite a few corrupt, backward and unreasonable practices. These include graft, embezzlement, smuggling, speculation, bribery, confiscating public property for personal use and other activities that violate laws or discipline. They also include unhealthy practices, such as superstition, gambling, extravagant weddings and funerals, worshiping and having blind faith in things foreign, under-the-counter relationships and using one's official position to achieve private ends. There are also the bureaucratic phenomena of organizations being overstaffed, shirking responsibility and having low work efficiency. Some people employed in natural scientific undertakings have nothing to do, but on the other hand, people are loudly complaining that they lack scientific personnel. All these phenomena must be changed or brought to an end. Nevertheless, these phenomena are not something to be feared or to be disappointed about, for our party is resolutely and unswervingly fighting against such phenomena and is making progress in the course of fighting against these phenomena.

The progress of modern China's history is the best evidence that we will certainly be victorious in our struggle. That is why we should encourage the study of history; especially China's modern history. In analyzing historical personalities, we should avoid simplicity and one-sidedness. Generally speaking, officials in a feudal society oppressed the people. But regarding specific persons we should not fail to see that they differed: some were hard working and others lazy, some were good and others bad and some were corrupt and others honest. Some officials were incompetent and, in addition to their high salaries, seized land, exploited the people, extracted extra levies and led extravagant and lewd lives. But there were others who had some insight and had achieved some merits. For example, in the Han Dynasty, we had heroes such as Zhangqian and Banchao, and in modern times, we had such national heroes as Lin Zexu, Feng Zicai and Deng Shichang. Even a personality such as Zuo Zongtang should be concretely analyzed. On the one hand, he committed the crimes of suppressing the people, but on the other hand, in his later years, he contributed to our nation and country by defending China's sovereignty and territory, safeguarding China's unity and resisting the expansion of Britain and Russia. We should make concrete analyses of historical personalities and should even affirm the outstanding roles of some personalities of the ruling classes. This is by no means contradictory to the thesis that history is created by the people.

Chairman Mao in a speech at Yanan said that we should not only know the China of today but also the China of yesterday. He called on us to study the present situation as well as history and Marxist theory. This call is even more important for today's youths. I believe that by conscientiously reading, by making reading a constant practice so as to be armed with the weapons of social sciences and the science of history, our youths will not only increase their knowledge, talents and competency, but can also firm up their confidence in the revolution and set high aims and lofty aspirations. Of course, whatever subjects our youths choose to major in, we should encourage and support them. However, through the study of history, our youths will see that it was owing to the undaunted and heroic struggle of our great people and their bravery in the face of bloodshed and death that our country has survived so many national disasters and so many aggressors. In this course, we had undergone innumerable failures and setbacks until we finally found Marxism, set up the CCP, led the people to overthrow the three great mountains and founded the PRC. This took us more than a century to achieve. We should treasure what we have achieved and strive for prosperity on the basis of what we have achieved.

Only by intensifying their study will our youths be able to be devoted to their work and to have a sense of responsibility. Not only the youths who major in social sciences should study history, but those who major in natural sciences should also study history. Youths who pursue whatever profession should learn something of history. Stalin said that a Leninist should not be a specialist only in the subject of a science he likes; he should, at the same time, be a politician and a social activist and he should concern himself with the destiny of his country, understand and know how to make good use of the laws governing the development of society and do his best to take an active part in the political leadership of his country. For this, one should study Marxist theory and study history. We should conduct education in history and in patriotism among the youths in a better, more flexible and more lively manner. Naturally, in order to build socialism and make China prosper, we must study and strive to master and introduce foreign advanced science, technology and management and, moreover, we must study them for our socialist motherland and must resolutely fight against the disgraceful practice of worshiping and having blind faith in things foreign.

It is necessary for an old, weak man like me to resign all his posts and retire from his office. Though retired, a man like me can find some work he is capable of doing. As an old CCP member, one should do what one should do. In this sense, no official titles or authorization are needed. Maybe what is left of my life are only a few months or days, but as long as I can, I will go around, look around and do the present urgent task of training successors. For example, I will take up the task of working with youths, such as guiding them in the study of history. This is a very important task. My aim in having you talk with me today is that you will boost the study drive to a new upsurge. I hope that I can do, together with other retired old comrades, what we can do in our remaining years. Old comrades can draw on rich experience. Some of them are experts in some special fields, for example, some of them have some special technical or academic knowledge, some have good penmanship and some are skilled in painting. They are all precious wealth of our party. Though owing to their health they cannot be engaged in the busy posts in the first line, they can use what they are good at in training the coming generation and play their role to the full in building the socialist spiritual civilization throughout the country. The world is vast. As far back as in the Eastern Han Dynasty, Ma Yuan said, "A man who dies in the border area and whose body is wrapped in horse hide should be carried back to be buried in his homeland. How can he die in the arms of a woman?" Today, we need not wrap our bodies in horse hide nor be buried in our homeland. As long as our health permits, we must regard the vast world as our home and never should we madly cling to Beijing and other big cities.

I believe that so long as the Propaganda Department of the CCP Central Committee and the Central Committee of the CYL take the lead, so long as the old generation, and that includes me, goes all out to make more efforts, so long as scholars like Comrade Hu Chen carry out their studies and research, and so long as the many specialists in the theoretical circle and our colleges in the arts play their roles to the full and jointly promote as one the book learning of our youths, we are sure that we can set the fine style of study and the healthy trend in our society.

ACQUIRE A CLEARER UNDERSTANDING OF GUIDING THOUGHT CONCERNING CORRECT RURAL WORK

Beijing RED FLAG in Chinese No 2, 16 Jan 82 pp 6-10

[Article by Chen Pixian [7115 0012 7309]]

[Text] In the past few years, like other rural areas of the country, the countryside of Hubei has all along witnessed a very favorable situation. Fast progress has been achieved. This has been a source of great inspiration. But amid progress, certain new conditions and new problems have appeared. This requires us to further understand guiding thought concerning rural work. Otherwise, the development of the very favorable situation in the countryside is likely to suffer.

What is the guiding thought that we must further understand in our current rural work? Generally speaking, we must further properly handle the relations among the state, the collective and the individual; insist on taking the planned economy as the primary factor and regulation by market mechanism as the secondary one; direct peasants' enthusiasm toward the study of agricultural science and technology; the proper introduction of scientific farming and the improvement of management and operations; blaze a new trail of overall development and attention to economic results; do a better job in increasing agricultural yields and income; and make the countryside get rich in a gradual and healthy manner. All this we must do in the process of continuously carrying out a series of economic policies in the countryside introduced since the 3d Plennary Session of the 11th CCP Central Committee and in the process of steadily perfecting the production responsibility system. Under the guidance of national plans, we must lead the masses of peasants in an effort to develop production and tap the potential in their own enterprises. We cannot always look to the higher levels and count on the state to give the peasants more benefits at present by further raising purchase prices. In this respect, we must have unified awareness. We must make the countryside rich but this should be achieved in a healthy manner. Can we get rich by allowing the peasants to act as they please and to take expedient measures that are of benefit only to themselves? No. This would only interfere with national plans and impair the overall interests of the country, thus injuring the peasants' fundamental interests. Can we just rely on the state to make the peasants rich? No. This is because the existing resources of the state are limited. Prices for agricultural products have in the past few years been raised greatly and much has been done with regard to agricultural subsidies. Therefore, we must insist on taking planned economy as the primary factor and regulation by market forces as the secondary one, and integrate the interests of the state, the collective and the individual. Only in this way can we achieve the aim of getting rich in a healthy manner.

Agricultural production for Hubei Province last year, generally speaking, was satisfactory. It was a year that can be considered far better than the average. Output of grain, cotton, edible oil and agricultural and sideline products in the second and third categories, except for live pigs, rose compared with the preceding year. The province's diversified economy registered relatively fast growth. There was also relatively great progress in developing communes' family sidelines. Peasants' income chalked up a general increase. However, some time ago, the business of purchasing and turning over agricultural and sideline products to the state was not done well enough in some respects. 1) Everyone reported an increase in grain output, and there was really a big increase in some cases. But when it came to the purchase and marketing of grain, there was always a demand for purchasing less and selling more on the market. 2) There were increases in second and third category agricultural and sideline products, in regard to both output and purchases. But the job of turning over products to the state was not done well enough. There was a demand for turning over more of what is unsalable to the state or keeping less of it, and a demand for turning over less of what is salable to the state or keeping more of it. 3) Where there had been a drop in the number of live pigs, state purchases, or sales to the state, showed a still poorer record. There were many causes for this situation, both objective and subjective. There was the problem of inadequate attention having been paid to work and a display of laxity and weakness on the part of the leadership. There was also the problem of certain people having a weak sense of planning and a weak concept of viewing the situation as a whole and not acting according to state plans.

This situation appears to be a concrete problem concerning the matter of purchasing and turning over agricultural and sideline products to the state. Actually, it is a problem of guiding thought concerning our current rural work. The core of it is how to properly treat the relations among the state, the collective and the individual. In a speech at a conference marking the centenary of the birth of Lu Xun, Comrade Hu Yaobang said: "In certain departments and, primarily, in economic departments, some comrades lack a concept of viewing the situation as a whole. Anything that does not serve their partial interests or appeal to their own taste is shunned or not acted upon. This is a wrong departmental act injurious to the overall interests of the state." Comrade Hu Yaobang also pointed out: "Among the cadres of certain industrial and mining enterprises and certain rural communes and brigades, the practice of acting against the concept of viewing the situation as a whole and taking the interests of the state, the collective and the individual into consideration--a concept hitherto advocated by the party and the state--and the practice of flaunting the banner of acting in the interests of the masses actually represents a backward idea among some workers and peasants. At the first opportunity, they make claims upon the state and demand a high price. This is a wrong act injurious to state interests." Comrade Hu Yaobang's speech tells us that we must thoroughly implement the guideline of paying simultaneous attention to the interest of the state, the collective and the individual. We must conduct relevant education among the cadres and the masses. We cannot one-sidedly stress individual interests, to the neglect of state and collective interests. Between September and October last year, we began to take note of the problem of purchasing and turning over agricultural and sideline products to the state, and directed quite an effort to this matter. In November, we again emphasized discussing the problem of simultaneous attention to the interests of all three sides at meetings of secretaries of prefectual and municipal party committees, and succeeded in raising awareness. After such meetings, the whole province upheld this spirit. The situation quickly turned for the better, as far as the matter of purchasing and turning over products to the state was concerned. At the end of last year, purchase quotas for grain and oil seeds were overfulfilled. The pace of purchasing cotton lived up to expectations. The number of live pigs purchased and turned over to the state showed a big increase compared to before November. Facts show that so long as we have a clear idea of guiding thought, the masses of cadres and people in the countryside will support us. Of course, we have now only raised the level of thinking and awareness initially. In future, we must conduct education in a penetrating and sustained manner, enabling such guiding thought to permeate all the province's rural work.

In the past several years, our country chiefly relied upon three ways to revive and develop our agriculture: 1) correcting "leftist" mistakes and relaxing restrictions; 2) raising the prices of agricultural and subsidiary products; 3) importing a given quantity of grain every year. These three policies were aimed at arousing the peasants' enthusiasm, developing a diversified economy, raising the commodity rate and enlivening the rural economy. As far as the future is concerned, the first must be adhered to. In no way can we relax attention to grain production and the energetic development of a diversified economy. Various versions of the production responsibility system and such practices as keeping private plots, promoting family sidelines, holding country fairs, and so forth must not be changed. The third policy of importing grain must also be continuously carried out within given limits, so as to facilitate the readjustment of the structure of agricultural production. As to the second policy, the prices for agricultural and sideline products must be basically stabilized and cannot be further raised. In the past few years, the state has spent much on subsidies for raising the prices of agricultural and sideline products, for selling prices, and on subsidies for the prices of imported grain, cotton, sugar, and so forth. This is entirely necessary. But at present, the state cannot afford to further raise purchase prices and subsidies. If we just raise the prices of agricultural and sideline products without a great development in industrial production, and if we thus fail to satisfy the peasants' demand for industrial goods and cannot withdraw currency from circulation in a normal manner, this will not help stabilize the prices of industrial products. What benefits the peasants derive from the state will also end up being lost. Therefore, given the existing resources of our state and the level of industrial production, a further big increase in the prices for agricultural and sideline products is unrealistic. In improving the living standard of the peasants in future, we must not chiefly rely on raising the prices for agricultural and sideline products. Instead, we must rely on policy and science in the overall development of agriculture, forestry, animal husbandry, sidelines and fishing. We must thus energetically raise the commodity rate and improve economic results. In this respect, guiding thought is very important. If the matter of guiding thought is not properly taken care of, problems will arise in purchasing and turning over agricultural and sideline products to the state. If what should be purchased is not procured and what should be turned over to the state is not handed over, this will directly affect industrial production and affect the life of urban residents, the worker-peasant alliance and even the economic construction of the state as a whole. Therefore, we must strengthen socialist and patriotic education among rural cadres and commune members, so that they can understand the great importance of paying simultaneous attention to tripartite [state-collective-individual] interests, consciously make greater contributions to the state, strive to fulfill state plans and support cities, industry, export promotion and socialist construction.

It should also be noted that if our guiding thought concerning rural work is not correct, the development of agricultural production itself will suffer. For example, regarding the cultivated area, we must stress the need of guidance from state plans. On this basis, we must bear local features in mind and make rational arrangements for the distribution of crops. As far as the area sown to grain is concerned, the province had 83.17 million mu in 1978 and 79.01 million mu last year, a drop of 4.16 million mu. Such a readjustment, generally speaking, is rational. But it must also be noted that the sown area must not be further reduced. Given not a big increase in per mu output, an excessive reduction in the total area sown will affect the total output of grain. Also, the area sown to cotton must also be kept at a steady level. Another problem is a serious situation of good land being occupied to build rural housing. According to incomplete statistics, the communes and brigades throughout the province have occupied a total of 1.65 million mu of land for building housing since 1970. For a commune in a certain county, the area occupied for building housing averaged nearly 2 mu per household. This was 8 times the 0.25 mu for a general residential unit. We must pay great attention to this problem. We must set great store by every inch of land. We must strengthen education and inspection and strictly act according to regulations laid down by the State Council and the provincial people's government. We must change the situation of freely occupying and using cultivated land. The situation of freely appropriating vegetable fields in urban construction is also very common and must be brought under strict control. Also, we must perfect the production responsibility system. One of the important principles to be followed in this regard is that the responsibility system must embody and contribute toward the proper handling of the relations among the state, the collective and the individual. We must pay particular attention to guarding against and resolutely overcoming the erroneous practice of distorting the production responsibility system and destroying and occupying collective property.

The problems mentioned above have a bearing on the correct handling of the relations among the state, the collective and the individual. Since the third plenary session, we have corrected "leftist" mistakes in the countryside, turned chaos into order, introduced a policy of relaxing restrictions and enlivened the economy. This guideline is entirely correct. In the future, we must continue to firmly and unswervingly carry out our party's various economic policies toward the countryside and further perfect various versions of the production responsibility system. In certain fields, such as the area of circulation, we must further study policies and measures for better handling rural commerce. The problem at present is by no means one of changing policy or retracing the old road toward rigid control. Instead, the problem is to realistically carry out the guideline of taking planned economy as the primary factor and regulation by market mechanism as the secondary one and to flexibly use the market as a regulation factor within the limits of a planned economy. This is to say that what should be controlled should be realistically controlled. What should be enlivened should be persistently enlivened. We should never freely make changes. At present, we must resolutely overcome anarchism, departmentalism and the erroneous viewpoint of one-sidedly stressing mass interests. Within the limits of planned economy, we must enliven the economy in a more healthy manner. We must correctly handle the relations among the state, the collective and the individual, divert peasants' attention to the development of production and the tapping of the potential in given enterprises. We must direct energetic efforts toward scientific farming and the improvement of management and operations. The earlier this guiding thought is made clear and the more conscious we are, the greater initiative we will have in our work. Otherwise, our leadership over rural work will be marked by laxity and weakness, hampering the healthy growth of the rural economy.

As far as the existing actual conditions of the countryside of Hubei Province are concerned in light of this guiding thought, several important problems must be put forth for discussion and study.

1. Planned cultivation. In guiding agricultural production, we must respect the autonomy of the production team, so that it can, with local features in mind, properly arrange for the distribution of crops and act according to objective laws. This is a prerequisite for the proper handling of agricultural production. But we must also be guided by state plans. This principle must not be given up. State plans are based on the actual conditions of the country as a whole. We must integrate different conditions, as far as both the whole and parts are concerned. Only in this way can we really get down to earth. In arranging for grain production, we must take into consideration the needs of the whole province and the whole country and must guarantee a sown area of 80 million mu. As to cotton, we must likewise consider the needs of the whole province and the whole country and guarantee a sown area of 8.5 million mu. We must make plans after discussions among cadres and the masses and see to their firm implementation at every level. We must also strengthen planned guidance concerning other economic crops and multiple undertakings, especially certain principal items of production. This is to avoid doing things blindly, submitting conflicting reports about production

figures, effecting sudden big changes and thus causing great economic losses to the state and peasants. Therefore, we must strive to do a proper job of forecasting economic development. We must make forecasts item by item, concerning the social demand for certain main products and the relevant production capacity. This will provide a scientific basis for drawing up plans and guiding production.

2. Purchase and sale of grain. In the future, we must continue to intensify our efforts toward grain work and cannot relax our efforts. Concretely speaking, we must keep the cultivated area at a steady level, as far as production is concerned. We must pay primary attention to per mu production and an increase in total output. In regard to distribution, we must adhere to the policy of planned purchase and marketing by the state. We can in no way show the least hesitation for that matter. Nor can we rely upon increasing purchases obtained as a result of negotiations and reducing planned purchases to solve the food problem. It should be clear that planned purchase and marketing by the state is a fundamental policy in our distribution of grain. Given a continuous development of production, we must properly increase purchases and rationally control sales, fulfilling quotas for products turned over to the state and adding gradually to stocks in reserve year after year. Thus, the aim of a balanced budget and a surplus can be achieved.

3. The purchase and transfer of second and third category agricultural and sideline products to the state. According to the stipulations of the State Council, the general principle should be that we insist on taking planned economy as the main factor and regulation by market mechanism as the secondary one; pay simultaneous attention to the interests of the state, the collective and the individual and coordinate the autonomy of the production team, the peasants' initiative and the requirements for the state's planned economy; and correctly handle the relations between the state and the peasants, between the central and local areas and between the producing area and the area where sales are effected. This is to facilitate the readjustment of the national economy, further develop production, and enliven the economy. The leadership at all levels must exercise supervision and make inspections. Those products that should be turned over to the state must be turned over, with both quantity and quality requirements guaranteed and with the fulfillment of the quota resolutely guaranteed.

4. The problem of live pigs. Pork in Hubei Province is in relatively short supply. On the one hand, the increased income of urban and rural residents has resulted in a great demand for pork. On the other, there was a drop in the province's figures last year for live pigs raised, purchased and turned over to the state. There were many causes for the drop in the number of live pigs raised, purchased and turned over to the state. Two years ago, Hubei Province experienced an unusually serious flood disaster which caused a sharp drop in grain production. This was an important factor. But we cannot simply blame everything on this one factor. With the introduction of the responsibility system in the countryside, new measures for encouraging pig breeding and the fulfillment of purchase quotas were not carried out in time. This was also one important factor. Therefore, to basically solve the problem of live pigs, we must stress doing our work well in the following two respects.

a. We strive to guarantee the normal supply of pork to meet urban needs. This is an important problem concerning the life of urban residents. We must constantly conduct education among cadres and peasants, so that they can strengthen the concept of the state and the concept of viewing the situation as a whole and ensure the fulfillment of quotas for products turned over to the state. The city, for its part, must also strengthen control over the supply of pork and achieve the aim of making rational arrangements for supply.

b. From now on, we must direct vigorous efforts toward pig breeding and bring about a big increase in the number of live pigs raised this year.

Party committees and governments at all levels must strengthen leadership. We must devote considerable efforts and several meetings a year to the study of a solution to the problem of breeding, purchasing and turning over live pigs to the state. We must realistically draw up plans for the breeding of live pigs and adapt ourselves to such practices as basing remuneration on output, with each laborer and each household held responsible--practices followed since the introduction of the production responsibility system. We must see to it that purchase quotas are duly fulfilled by each household. We must conduct education among rural cadres and commune members, so that they can understand that the fulfillment of purchase quotas is a proper contribution to the state.

We must continuously carry out the guideline of combining collective and private pig breeding with the main emphasis on the latter. We must seriously carry out the party's policy of encouraging private pig breeding among commune members. We must encourage raising as many pigs as we can and refrain from obstructing the pig-breeding effort or limiting the number raised. We must pay particular attention to taking good care of those households that concentrate on pig breeding or specialize in the effort. The "responsibility plot" fixed must be allowed to stay on a stable basis, so that the commune members can stop worrying and display enthusiasm in raising pigs and collecting and applying manure. Meanwhile, we must advocate the collective raising of sows and the breeding of piglets by the production team, so that the source of pigs can remain stable and the species can be improved upon. Every effort must be made so that we can independently breed and raise pigs ourselves. Collective pig breeding must also be guided by a contract or responsibility system, with the team, the household or the individual held responsible.

We must firmly carry out the policy concerning fodder. In raising pigs, we must use various kinds of fodder. But we cannot do without a fixed main kind of fodder. We must understand the principle "the more pigs raised, the more manure and the more grain." On the surface, it seems that raising pigs calls for more grain. Actually, by raising pigs, more manure is made available. This in turn leads to a greater output of grain. In solving the fodder problem, not only must the production team contribute a little collectively but the state must contribute a little. Fodder is sold to pig-breeding households at special prices fixed by the state, so that the peasants can profit by raising and selling pigs. Peasants must take care of the state's needs and interests. The state for its part, must also take care of the peasants' rational interests. The interests of all three sides must be really taken care of. Only in this way can pig breeding be developed.

We must also improve management and operations in purchasing live pigs. The commercial departments must energetically support the development of pig breeding and give the masses every convenience in selling pigs. In the season when fat pigs can be taken out of the pen for sale, we should never repeat the previous practice of stopping collection and limiting the number purchased. Meanwhile, we must strengthen control and take immediate action to stop the sale of pork by unlicensed vendors in the market. Licensed vendors can also only deal in the pork that the peasants keep for themselves.

5. The problem of vegetables. In the past few years, various cities in Hubei Province have attached importance to vegetable production and have achieved some results. A trend toward growth has marked the variety and output of vegetables. The problem now is that things sometimes improve and sometimes deteriorate. Market supplies are unbalanced. Prices of vegetables traded at country fairs are often relatively high. The masses have much to complain about. The supply of vegetables represents a major event in the life of urban residents and concerns millions of households. Therefore, we must pay adequate attention to this work. We must adhere to the guideline of calling for the suburbs of a city to concentrate on vegetables in its agricultural production. The area planted to vegetables must be put on a fixed basis. A protected vegetable area must be defined and kept from being appropriated. Those fields not belonging to the protected area must also be subjected to strict control and properly treated, if they should be appropriated. All vegetable teams must resolutely uphold the principle of "basing output on needs and producing slightly more than is sold." Under the guidance of state plans, they must introduce the economic contract system and strictly fulfill contracts, giving awards for those performing well and imposing economic sanctions on those violating a contract. They must do well in planned production (including planned variety), planned marketing and planned pricing. No matter what the version of the production responsibility system introduced, the vegetable teams must help with planned production and planned marketing. They should also improve the control and handling of vegetables, introduce the commercial operation responsibility system, overcome the idea of eating out of a "big pot," gradually improve operating conditions, cut losses and waste, reduce costs and improve economic results.

6. The base taken for products purchased and turned over to the state. How should we pay simultaneous attention to tripartite interests in purchasing and turning over agricultural and sideline products to the state? It seems that fixing a base and letting it stand for several years at a time is a relatively satisfactory method. There has been a base for planned state grain purchases. This has produced a good effect. Now some areas report that the masses hope that a base should also be fixed for purchases exceeding given quotas--a base that should not be discussed yearly. This approach is worth consideration. Not only grain but also agricultural and sideline products--products where conditions permit--can also be provided

with a fixed base for planned state purchases or allotted purchases. This base must be firmly upheld not only at the production team level but at the household level. Only in this way can we adapt ourselves to new conditions arising after the introduction of the responsibility system with output linked to labor and to each household. There is also the problem of turning over products to the state. Where conditions permit, we should also adopt the method of fixing a base. Concerning what exceeds a given quota for second category agricultural and sideline products turned over to the state--products that sell well--we may adopt the method of fixing proper proportions for distribution. Of course, when it comes to a fixed base in concrete practice, there are many complicated problems calling for serious study and rational solution.

We must acquire a clearer idea of guiding thought concerning current rural work. We must set straight the relations among the state, the collective and the individual. We must first of all properly solve ideological problems within the party and rectify the party's work style. Our party represents the interests of the people. It must not only show concern for the immediate and partial interests of the people but also take care of their long-term and fundamental interests. It must unify interests in these two respects. However, at present, some cadres do not understand that only on the basis of developing production can we gradually improve the living standard of the people. Instead, they fix their eyes on the state thinking that only with money from the state can something be done for the people. Some turn to the state for help under the signboard of showing concern for the interests of the people. Some act against the interests of the state and the collective and one-sidedly stress individual interests. Some even abuse their authority to serve private ends. Other similar cases may be cited. The party organizations in some areas have failed to persistently conduct socialist and patriotic education. They have lacked the courage to criticize erroneous ideas and to fight unhealthy practices. This has reflected laxity and weakness on the part of the leadership. Therefore, the party organizations at all levels of the province must seriously study the spirit of "Comrade Deng Xiaoping's speech on rectifying the party work style," Comrade Chen Yun's "Tell the Truth, Do Not Save Face," and the central forum on problems on the ideological front. They must put rectifying the party's work style and strengthening ideological leadership high on the party committee's agenda. So long as those within the party have a clearer idea of the guiding thought concerning current rural work and rectify the party's work style, we can surely lead the masses of cadres and people of the countryside of the whole province in scoring still greater achievements in socialist construction and making proper contributions toward rejuvenating China.

THE PROGRESSIVE FORCES ARE BOUND TO TRIUMPH OVER THE DECADENT FORCES

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[Ideological commentary by Shi Jian [0670 6015]]

[Text] Over 5 years ago, our party carried out the people's will by smashing the counterrevolutionary clique of the "gang of four," which had committed countless crimes and deserved to be brought to judgment. This was a great victory of historic significance for the progressive forces over the decadent forces in China's socialist period. Since the downfall of the "gang of four," especially since the 3d Plenary Session of the 11th CCP Central Committee, our party has led the people in bringing order out of chaos on various fronts. Thus our country has become stable, the people are united, production has developed and an excellent situation, the likes of which have not been seen since the 1960's, has emerged. The broad masses of people and some people of insight abroad unanimously have praised this excellent situation. However, there are still a small number of people in our ranks who are perplexed ideologically and who are beset with worries that the "gang of four" will "rise again" and "stage a comeback." This reflects their lack of confidence in the ability of our party to lead the people in the drive to accomplish the four modernizations as well as their insufficient understanding of the law of historical development.

According to the viewpoint of a historical materialist, human history invariably develops in a way in which the progressive forces are bound to triumph over the decadent forces and the newly emerging classes are bound to replace the declining classes. This is an objective law independent of man's will. Engels said: "In the course of development, all that was previously real becomes unreal, loses its necessity, its right of existence, its rationality. And in the place of moribund reality comes a new, viable reality." ("Selected Works of Marx and Engels," vol 4, p 212) Has not all human history developed in this way? The slave-owning class and the landlord class were a reality in history, but what happened to them? With the development of history, the newly emerging landlord class triumphed over the decadent slave-owning class and the newly emerging bourgeoisie triumphed over the decadent landlord class. The capitalist system is likewise a "reality," but it will eventually become "unreal" and the socialist system will eventually replace the capitalist system. This change has become an important modern historical process. From the end of the 1920's to the 1940's, Chiang Kai-shek ruled over the country. He commanded massive forces and, with a butcher's knife in one hand and a murderous look on his face, itched to wipe out all of the revolutionary and progressive forces overnight. However, after 22 years of bloody battles, our party led the Chinese people in eventually defeating the most reactionary and decadent force in China's modern history. That the revolutionary and progressive forces should succeed in vanquishing the decadent forces is, fundamentally speaking, due to the fact that the former conforms to the historical trend of the times and reflects the interests and demands of the people while the latter goes against the trend of the times and violates the interests and will of the people.

Naturally, the developments of history do not follow a straight line but have their twists and turns. In the course of historical development, as a result of the decadent forces being temporarily stronger than the progressive forces or the leaders of the progressive forces committing serious mistakes of line, it often occurs that the progressive forces suffer setbacks or even defeats. With respect to the emergence of this tragedy in history, we must be good at seeing through appearances to get at the essence and not be misled by false impressions. The defeat of the progressive forces and the decadent forces holding the upper hand can only be temporary phenomena which will never last long. "A bad experience is the best teacher." So long as the progressive forces conscientiously sum up and draw experiences and lessons and rally their forces, it is not only possible but also unavoidable for them to "rise again" and "stage a comeback."

Here we call to mind an interesting argument in ancient China. Over 2 centuries B.C., Xiang Yu who was known as the "conquerer of Western Chu" was defeated by Liu Bang who was born to a petty official family. Xiang Yu did not have the face to meet the elders and brethren east of the Chang Jiang and so committed suicide by cutting his throat by the Wu Jiang. A lot of comrades know of this historical event. Over 1,000 years later, a poet of the Tang Dynasty, Du Mu, and a politician of the Song Dynasty, Wang Anshi, held two diametrically different views on this historical event. Du Mu wrote a poem entitled "An Inscription on the Wu Jiang Pavillion," expressing his sorrow for Xiang Yu who committed suicide at the Wu Jiang pavillion. The poem read: "For a military commander, winning or losing a battle is a common occurrence that is often unexpected; it is in the nature of a man to bear shame and humiliation. There were a lot of talented persons among the elders and brethren east of the Chang Jiang; who knows? One could stage a comeback some day." According to Du Mu, Xiang Yu should not have committed suicide. There were a lot of talented persons east of the Chang Jiang. If he had not committed suicide, he could have returned to the east of the Chang Jiang and recruited a large number of qualified persons. There was still a possibility of "staging a comeback." However, Wang Anshi did not agree with Du Mu's view. He also wrote a poem entitled

"The Wu Jiang Pavillion" in which he said: "After repeated battles both commanders and fighters were sad and exhausted; the defeat in the central plain made it difficult to turn the tide. Although the brethren were still east of the Chang Jiang, were they willing to stage a comeback with the ruler?" Wang Anshi was worthy of the name "China's reformist of the 11th century" as acclaimed by Lenin, for he noticed that Xiang Yu's defeat was a trend of the times that was irreversible. Although there were still a large number of talented persons to the east of the Chang Jiang, they would not be willing to reverse the inexorable trend of historical development. Xiang Yu was the representative of a major anti-Qin force after the failure of the great peasant uprising led by Chen Sheng and Wu Guang at the end of the Qin Dynasty. He had won numerous battles but he failed because he lavishly granted titles to the nobles and attempted to again enslave the peasants under the feudal lords. Although Liu Bang had suffered numerous defeats, he achieved the final victory because he represented the interests of the newly emerging landlord class and adopted some policies that met some of the peasant's demands. The reason for the differences in their fates lie in the fact that one was the representative of the progressive forces and the other was the supporter of the decadent forces. Wang Anshi and Du Mu reached different conclusions because they had different appraisals of the situation at that time. One understood clearly the "inexorable" trend of historical development while the other completely failed to notice it. Naturally, there were also instances where the decadent forces "rose again" and "staged a comeback," but that was due to the force in power at that stage being more decadent than the one that had been defeated earlier. Thus we can see that a correct analysis of the situation in a given historical period is a fundamental basis for a correct understanding of the possibility of the decadent forces "staging a comeback."

Will the counterrevolutionary clique of the "gang of four" that has been smashed by the party and the people return to power? In the last few years many people showed great solicitude about this question. However, our party Central Committee is always very sober and has constantly kept great vigilance. In order to prevent the "gang of four" from staging a comeback, our party has led the people to adopt a series of resolute measures. Politically, we have thoroughly exposed the "gang of four" in its true antiparty and antipeople counterrevolutionary colors and have carried out just historical trials of their countless crimes. Ideologically, we have thoroughly criticized and eliminated the "gang of four's" reactionary fallacies and are continuously eliminating their pernicious influence in various fields. Organizationally, we have thoroughly destroyed the "gang of four's" factionalist setup and have stipulated that anyone who began his career by following the "gang of four" in rebellion and anyone who entertains serious factionalism or who has participated in beating, smashing and looting must not be admitted into the leading groups at various levels. If already admitted, he must be resolutely dismissed from the leading groups. As for those who have committed mistakes by following the "gang of four," we have handled their cases in different ways in accordance with the specific natures of their cases and in accordance with the party's policies. By so doing, we have educated and reformed them rather than beating them to death with a big stick. Thus, we have united the majority of them and isolated a few obstinate elements. Now we can safely say that we have already thoroughly destroyed the foundation on which the "gang of four" depended for its existence. Through exposing and criticizing the "gang of four" and handling their cases, we have vigorously educated the broad ranks of cadres and the broad masses of people and made them understand that in our society those who entertain ambition and use schemes and intrigues to achieve this ambition will certainly come to no good end.

Now the key lies in whether we who are in power will live up to the expectations of the people. It will be dangerous, if we who are in power prove to be more rotten than the rotten force we have overthrown or if we commit irreversible mistakes. If we do not do so, it is only a dream that any rotten and degenerate force could try to stage a comeback and restore their rule. How can the "gang of four" be an exception! Therefore, we should educate the broad ranks of our full-time cadres in this historical materialist viewpoint, pay close attention to maintaining our political conformity with the party Central Committee, ensure that we do not commit serious mistakes concerning the political line, strive to prevent and overcome various corrupt practices and maintain our loyalty to the party and the people. By rectifying the party style, we mean essentially that all the cadres in power should have good party style. We should do this educational work well. Once the party style is really rectified, who will follow the "gang of four," even if the ghost of the "gang of four" is still wandering here and there? We must see that the leading group of our party Central Committee is strong and powerful and enjoys the confidence of the masses of people and that our party's line is correct and is supported by the masses of people. This constitutes a reliable guarantee against the comeback of any corrupt force. There certainly are some people in the party who do not live up to the expectations of the people, but their number is small. So long as we, the cadres who are in power at various levels now, maintain conformity with the party Central Committee and steadfastly combat various unhealthy trends so as to bring about a radical change in the party style, our party and state will have a great future and the prospects for socialism will be infinitely beautiful. "History will never retrogress." We should forever remember these well-known words of Mr Lu Xun.

ENHANCE THEORETICAL CULTIVATION, RAISE THE IDEOLOGICAL LEVEL--STUDY VOLUME 1 OF THE 'SELECTED WORKS OF LIU SHAOQI'

[Beijing RED FLAG in Chinese No 2, 16 Jan 82 pp 13-15

[Article by Wu Liping [0902 7812 1627]]

[Text] The recent publication of the first volume of the "Selected Works of Liu Shaoqi" by the Editorial Committee on Party Literature is a major event in the political life of our country. As an excellent textbook for the study of Marxism-Leninism-Mao Zedong Thought, it provides favorable conditions for further study of Marxist theory and for the raising of the ideological level. Reading the first volume of the "Selected Works of Liu Shaoqi" as an old student of Comrade Liu Shaoqi's, I was deeply touched.

Comrade Liu Shaoqi was one of the outstanding important leaders of our party and country. He dedicated all of his life's energy to the Chinese people's revolutionary cause. During his lifetime he fought resolutely to combine the universal theories of Marxism with China's revolutionary practice. He was both a practitioner of revolution as well as a theorist of revolution. His major achievements in the unification of theory and practice made a great contribution to the formation and development of Mao Zedong Thought. Works such as "How To Be a Good Communist," "Response to Comrade Song Liang," "Liquidate the Menschevist Ideology Within the Party" and "Speech to First Year Students of the Marxist-Leninist Institute" all devote considerable space to the discussion of how cadres, particularly leading cadres, should enhance their theoretical cultivation. The study of these works in the light of practice in the four modernizations is undoubtedly of great practical significance.

Comrade Liu Shaoqi believed Marxist theory to be a weapon that could be used to investigate and resolve all questions. A leader who fails to enhance theoretical cultivation will be unable to correctly recognize and resolve problems encountered in the course of revolutionary struggle and there arises the danger of confused bearings and deviation from the proletarian revolutionary stand. This is to say that the existence or absence of Marxist theoretical cultivation is an important question that relates to the success or failure of revolution. In March 1943, Comrade Shaoqi and I went to southern Jiangxi to organize an upsurge of production in the tungsten mines. After arriving at the mines, Comrade Shaoqi used ordinary language to explain Marxist theory to the workers and used correct ideology to guide the workers' actions. Production at the tungsten mines was quickly raised, which helped to support the revolutionary cause. Comrade Shaoqi often said: Only when the party is led by an advanced ideology will it be able to fulfill its role as an advanced fighter. Since revolutionary action is guided by revolutionary theory, if the theory is correct the action will be correct and the revolution will succeed. Otherwise, the revolution will be doomed to failure. However, there are a few comrades who do not entirely understand Comrade Shaoqi's viewpoint. Some comrades believe that as long as the fighting is courageous and the work enthusiastic there is really no need to study revolutionary theory. To counter this viewpoint Comrade Shaoqi would always carry out earnest and patient education. After affirming that revolutionary tenacity and fighting courage are valuable qualities that every Communist Party member should have, he would also point out that only when the question of how effective revolution is to be made and how correct struggle is to [be] carried out have been correctly resolved through the study of theory is it then possible to achieve revolutionary victory.

During the initial period following the foundation of our party, there developed in the party an atmosphere of opposition to theoretical research generated by an excessive emphasis on the experiences of actual combat. It was also as if there were no need for theoretical study and as long as there existed some experience of actual combat the revolution could be guided toward victory. The existence of this erroneous thinking seriously influenced efforts to raise the ideological level within the party. Comrade Shaoqi often used the lesson learnt from this period of party history to arouse cadres' enthusiasm for theoretical cultivation. He said: Our party has one major weakness, which is that ideological preparation and theoretical cultivation are insufficient. The repeated defeats suffered by our party in the past have all been due to failures in guidance. Mistakes in the guidance of the revolutionary cause have caused us to suffer grievous losses and have led to partial and sometimes unnecessarily serious damage to the revolutionary cause. It is because of this that from the Yan'an period onward Comrade Shaoqi repeatedly raised the question of enhancing the theoretical cultivation of cadres. It was to enhance the theoretical cultivation of cadres that on the eve of the founding of the People's Republic the party Central Committee established a high-level party school that was named after the Marxist-Leninist Institute in Yan'an and had Comrade Shaoqi as its president. From the speech given by Comrade Shaoqi at the beginning of the school term to the first class of students, we can see the importance he attached to the raising of the cadres' theoretical cultivation. In the speech Comrade Shaoqi related his own personal experiences, giving a moving and profound explanation of the importance of theoretical cultivation. He said: During the course of the revolution there have been many regrettable moments; what we must do now, however, is not regret past events but prepare and study for the future. The Chinese revolution has now succeeded and it simply will not do not to study. Before in the mountains things were still simple; now that we have come down from the mountains and entered the city the questions are far more complex. If we want to run the whole of China, things will be even more difficult. Now that the revolution has succeeded it is especially important that we do more reading of the works of Marx and Lenin and the works of Chairman Mao, and further familiarize ourselves with revolutionary theory; otherwise, it will be impossible to do our work well and we may even make mistakes.

If one studies the teachings of Comrade Shaoqi in the light of the practice of the 32 years that have passed since the founding of the People's Republic, one cannot help but feel admiration. It cannot be denied that during the period before and just after the founding of the People's Republic our cadres made considerable theoretical preparation and were exceptionally successful in their work to manage the whole of China. In general, however, our cultivation of the theory of socialist reconstruction--including the cultivation of knowledge in the fields of politics, economics and culture--has been less than complete. This is an important reason for us having taken several wrong turns over the past 30 or so years. Happily, since the 3d Plenary Session of the 11th CCP Central Committee our party has revived the fine tradition of emphasizing the study of theory, cleared up the influence of leftist errors on our party's guiding ideology, and pointed out a correct road for socialist reconstruction that suits the conditions in our country. The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC," adopted by the sixth plenary session, gives a scientific summary of our party's merits and demerits, gains and losses since the founding of the People's Republic. The recently held 4th Session of the 5th NPC also adopted Comrade Zhao Ziyang's government work report and put forth the ten principles for future economic construction. This shows the great concern our party has for Marxist theoretical cultivation and expresses the relatively mature knowledge the party has of our country's socialist construction.

At the same time as emphasizing the need to enhance cadres' theoretical cultivation, Comrade Shaoqi also stressed that theory must be both connected with reality and united with practice. He said: "Marxist theory is a theory that was formed in revolutionary practice and also a theory that serves revolutionary practice. As long as revolutionary practice is closely integrated with our study, use and mastery of theory it will be possible both to understand the internal connections of things around us and to determine the correct line of action. Comrade Shaoqi offered incisive criticism of certain representatives of dogmatism, pointing out that they have acquired only a superficial knowledge of certain Marxist phrases and had completely failed to study the essence of the spirit of Marxism. While they may have read Marxist works, they are neither able to use the theories and conclusions of these Marxist texts as a guide for action nor to employ them in their real and concrete work. They derive satisfaction from being able to recite selected theories and conclusions and pose as "real" Marxists. In actual fact, however, they are not real Marxists at all as their methods of action have nothing in common with those of Marxism.

For Comrade Shaoqi successfully study and investigation were the most important aspects of the unity of theory and practice. He believed that only by carrying out down-to-earth study and investigation, by attentively listening to the suggestions and criticism of the masses, by carefully examining actual problems in life and work and by carefully summarizing lessons drawn from practice is it possible to discover whether one's understanding and use of Marxism are correct or to discover and correct one's own failings and mistakes. Only in this way can one's work be improved. Comrade Shaoqi solemnly criticized the inability of dogmatists to use Marxist theory in accordance with the changes in objective conditions; and pointed out that their decisions on policy and direction derived not from an examination of the surrounding situation but from identical or similar events found in books or history. In practice they are idealists. Comrade Shaoqi's criticism of dogmatism still has instructive significance for us today. As Comrade Qiaomu has pointed out, failing both to acknowledge the historical necessity and victorious practice of China's revolutionary development and to accept a series of discussions by Lenin before and after Russia's October Revolution and the new development of international socialism in the 20th century, some people have over the past few years made dogmatic statements that socialism must be built on a foundation of highly developed socialized production and must eliminate the production of commodity products. On the basis of this, they conclude that China's economy is backward and that it is neither possible nor desirable to establish socialism. Surely people, who propagate such mistaken views might have something to learn from Comrade Shaoqi's criticism.

Comrade Shaoqi believed that it was not at all easy to successfully integrate theory and practice as it required an end to all lazy thinking. He said: If one is to understand a complex question or a truth, it is essential that one be both rigorous and independent in spirit and work. Whenever Comrade Shaoqi judged whether a leading cadre was qualified or not he would always use the ability to make independent decisions as an important criterion. He often said that if one wants to be a good cadre qualified for leading work, one must be able to make independent decisions. Anyone who is unwilling to take on hard work alone will be unable to do a good job of anything. For this reason, in addition to firmly upholding the guiding principles of Marxism and resolutely implementing the line, principles and policy of the Central Committee, it is necessary to go deep among the masses, to do painstaking investigative work, and to do one's utmost to closely integrate Marxist theory and the principles of the Central Committee with the actual conditions of each area and each unit. This unity of Marxist theory and practice is an ideological approach and method of work that was consistently and steadfastly upheld by Comrade Shaoqi. During the early period of the war of resistance against Japan, Comrade Shaoqi first made a rapid breakthrough in the north China region, mobilizing the broad masses of the people against the Japanese. This was achieved through an examination and understanding of favorable opportunities. Afterward he went to central China, where he formulated a correct political and military policy on the basis of the correct principles of the Central Committee and the actual conditions in the area, and managed to rapidly establish firm democratic bases of resistance against the Japanese in Jiangsu, Zhejiang, Anhui, Henan and Hubei provinces. All this was the result of Comrade Shaoqi's efforts to firmly uphold the unity of Marxist theory and practice and his full use of the spirit of individual creativity.

Comrade Shaoqi also placed a great deal of emphasis on the question of combining theoretical cultivation with ideological cultivation. He believed that a truly qualified leading cadre must have both theoretical and ideological cultivation and should be able to combine transformation of the objective world with the transformation of the subjective world. He said that we must change ourselves and develop our proletarian ideology not only through revolutionary practice, but also through the study of Marxist theory. Soon after the beginning of the war of resistance against Japan, our party grew in strength and these party members were undoubtedly the outstanding daughters and sons of the Chinese people and were the advanced element of the proletariat. However, in old China there existed an exploiting class as well as a vast class of small capitalists and, owing to the differences in background and motives of those entering the party, all kinds of nonproletarian thinking unavoidably entered the party. For example, some cadres are always seeking the limelight or hoping to be individual heroes, others are individualistic or selfish in their thinking and there is even a minority who share the ideology of the exploiting class. In this way various ideological differences have emerged within the party and unhealthy trends and evil practices have begun to spread, causing controversy and dissension to arise within the party. How party members, particularly party cadres, should overcome all types of nonproletarian thinking is now an important problem that must be solved. Comrade Shaoqi did considerable work on this question of overcoming nonproletarian ideology within the party. Comrade Shaoqi said: When studying Marxist theory one must correctly combine this study with ideological cultivation and should use Marxist-Leninist thinking to resist and overcome all forms of nonproletarian thinking.

Comrade Shaoqi often said that only when one has a correct viewpoint is it possible to study and use Marxist theory. The correct viewpoint is the proletarian viewpoint. Without a clear and firm proletarian viewpoint and without a correct and pure proletarian ideology it is impossible for a Communist Party member either to thoroughly understand and truly master the methods and theory of Marxism or to use them as weapons in revolutionary struggle. That is to say, for one to have relatively good cultivation of Marxist theory a steadfast proletarian viewpoint is absolutely essential. Or put in another way, if a Communist Party member neither diligently studies the theory and methods of Marxism nor uses Marxism to guide his own thinking and action it will be impossible for him to either resolutely uphold the proletarian viewpoint in all revolutionary struggle or to ever embody proletarian ideology. Only through a serious understanding of Marxist theory is it possible to consciously consolidate, strengthen and develop this kind of proletarian viewpoint. We should approach all types of thinking and suggestions within the party by first clarifying which is correct and favorable to the party and revolution and which is incorrect and damages the party and revolution. In this way we can decide what to praise and what to oppose, how to raise and develop proletarian righteousness and how to resist all unhealthy trends; we will learn not to fear necessary struggles within the party and not to tolerate the development of any form of mistaken thinking or unhealthy tendency but will struggle resolutely against them; we will be able to combine a clear unwillingness to compromise on matters of principle with flexible methods of struggle and the spirit of patient persuasion, and in the course of long-term struggle we shall be able to educate, criticize, train and transform those comrades who have committed errors but are not completely incorrigible. Comrade Shaoqi's discussions on the need to overcome all forms of non-proletarian ideology through the enhancement of leading cadres' theoretical cultivation not only played a positive role in the establishment of our party but also have important practical significance today.

While 10-odd years have passed, the important question still lies in the study of Marxist theory. In the past Comrade Shaoqi urged us to study Marxist theory in order to "run the whole country"; today in this new historical period the four modernizations and the "renovation of China" also demand that we act according to Comrade Shaoqi's demands and study Marxism. Only by continuing to raise the level of cultivation of Marxist theory will we be able to guarantee that all our future work is successful, that we do not repeat past mistakes and that the cause of our country's socialist construction moves forward steadily and effectively.

IT IS NECESSARY TO PAY GREAT ATTENTION TO THE STUDY OF MARXIST THEORY--AFTER READING LIU SHAOQI'S 'REPLY TO COMRADE SONG LIANG'

Beijing RED FLAG in Chinese No 2, 16 Jan 82 pp 16-18

[Article by Yu Haocheng [0060 3185 2052]]

[Text] In his article "Reply to Comrade Song Liang" written 40 years ago, Comrade Shaoqi stated that our party was not well prepared in theoretical work. He held that in addition to the general practice of opposing theoretical study which existed inside the party in its early stage and which had prevented our party's theoretical level from improving, there were three other factors which had given rise to this problem: 1) The period since the introduction of Marxist works into China was not long, whereas Marxism had already been disseminated in Europe for nearly a century; 2) The moment after it was founded, the Chinese party was drawn into a great and practical revolutionary struggle, not having enough time for doing theoretical study and for summing up its experience in carrying out struggle; 3) Not much about China was mentioned in the works of Marx, Engels, Lenin or Stalin. Therefore, it was especially difficult to use the principles of Marxism to explain and guide the historical practice of Chinese society. Comrade Shaoqi held that for these reasons, and especially because our party had not made sufficient efforts to this end, it had not been able to overcome its weakness of lack of theory even though our party had had rich experience in practical struggle.

"Reply to Comrade Song Liang" was written in 1941. This was followed by the rectification campaign throughout the whole party. Party members and cadres were educated in Marxism-Leninism, and revolutionary experiences and lessons were summed up in the light of the party's history. Making investigations and studies, seeking truth from facts and integrating theory with practice became our party's work style. Consequently, a foundation for winning the victory of the new democratic revolution was laid. However, viewed from the situation of all the cadres of our party, we could not say that we had basically done away with the weakness of lack of theory.

After the founding of the People's Republic of China, our party, guided by Marxism-Leninism-Mao Zedong Thought, led the people of the whole country in the socialist revolution and socialist construction and made tremendous achievements. However, as stated in the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC," "new China has not been in existence for very long, and our successes are still preliminary. Our party has made mistakes, owing to its meager experience in leading the cause of socialism and subjective errors in the party leadership's analysis of the situation and its understanding of Chinese conditions. Before the 'Cultural Revolution' there were mistakes of enlarging the scope of class struggle and of impetuosity and rashness in economic construction. Later, there was the comprehensive, long-drawn-out and grave blunder of the 'Cultural Revolution.' All these errors prevented us from scoring the greater achievements of which we should have been capable."

Since the smashing of the "gang of four," especially since the party's third plenary session, things have indeed taken on a new aspect in theoretical work. Marx said, "How well theory is realized in a country depends on how well theory meets the needs of this country." ("Collected Works of Marx and Engels," vol 1, p 10) The reason theoretical work has made such headway is entirely because it has been suited to the needs of the revolutionary struggle and practical work.

At present, our party has been gradually establishing a correct road to build the socialist modernizations that is suited to our country's conditions. The 10 basic points of this road have been expounded in the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC." These 10 points are basically a summary of the positive and negative experiences gained since the founding of our country, particularly of the lessons drawn from the "Great Cultural Revolution." Under the present circumstances, does the situation of our lacking theoretical preparation and cultivation as mentioned in Comrade Liu Shaoqi's article "Reply to Comrade Song Liang" no longer exist? If all the cadres are taken into consideration, we should not be too optimistic in our estimation. We should understand that when we say that our party has already fulfilled the task of bringing order out of chaos during the period from the third plenary session to the sixth plenary session, we are talking about the party's guiding ideology. Viewed from the whole party's practical work in different fields, we have to continue to fulfill the task of bringing order out of chaos. Therefore, we cannot say that Comrade Liu Shaoqi's opinion is outdated. When we reread "Reply to Comrade Song Liang" today, we still find that it touches our hearts.

First, theoretical work still falls far behind the needs of practical work. We have not yet gone deep into many aspects of the great practice of realizing the four modernizations in our country and of the new situations and new problems we encounter in this practice, nor have we worked out solutions that are of great significance in giving guidance. We have not carried out thorough study of many important theoretical questions. We have not even done enough work in making comprehensive investigations and surveys and in systematically accumulating materials.

Second, the tendency to look down on theoretical study and research still exists to varying degrees among some comrades in some places. As pointed out by Comrade Liu Shaoqi in his article "Reply to Comrade Song Liang," these comrades seem to think that they can be content and lead the revolution to victory so long as they have experience in practical struggle and that they do not need profound theoretical study. They seem to think that the Marxist theory can be mastered without being seriously and thoroughly studied over a long period of time. Some comrades think that theoretical study, especially theoretical study of social sciences, is not of much use and that it is not essential. The phenomenon of "attaching importance to science and engineering and looking down upon literature and history" in the society may be related to this. Some people seem to think that the four modernizations need only natural sciences and not social sciences. It seems that it will be enough just to carry out economic readjustment and to develop production, whereas political reforms and promoting democracy are of no consequence. It seems that it is enough just to build a material civilization and the building of a spiritual civilization is an unnecessary move. This kind of understanding is apparently one-sided and erroneous.

Third, discussion and debate of theoretical problems have not been sufficiently carried out. There is a kind of habit formed over many years. It seems that only a certain leader is responsible for developing revolutionary theory. Whenever we come across a problem, we can only try to find a ready solution to it in classical works. We need not use our brains at all. Even if we have some ideas, we dare not put them forth. This study style of "daring only to repeat the words of saints" has caused theoretical work to stagnate or even shrink. Marx once said, "Truth is established through debate." ("Complete Works of Marx and Engels," vol 28, p 286) Comrade Mao Zedong also said, "Only by comparing can one distinguish. Only by making distinctions and waging struggle can there be development." Without controversies with different views, truth cannot be found, nor can it be developed. In his speech given at a meeting to discuss ideological guidelines for theoretical work, Comrade Deng Xiaoping said, "We must resolutely implement the policy of 'letting a hundred flowers blossom and a hundred schools of thought contend' in studying and discussing ideological and theoretical problems. We must resolutely implement the policy of not seizing on mistakes, not sticking political labels on others and not using the big stick. We must resolutely implement the policy of emancipating the mind, doing away with superstitions and proceeding from reality in everything. All these aspects were decided at the third plenary session. I have now restated them, and no wavering is permitted." Truly implementing the above policies is the key to the prosperity and development of science and theory.

In our country, upholding the guidance of Marxism-Leninism-Mao Zedong Thought is incontestable. But is it permissible to probe into and discuss Marxism-Leninism-Mao Zedong Thought? The answer should be positive. The reason is that if we want to uphold Marxism-Leninism-Mao Zedong Thought, we must answer the question what is Marxism-Leninism-Mao Zedong Thought. People's understanding of this question varies. Therefore, much discussion is needed. Not only discussion but also criticism is permitted. Comrade Mao Zedong said, "Since Marxism is accepted as the guiding ideology by the majority of the people in our country, can it be criticized? Certainly it can. Marxism is scientific truth and fears no criticism. If it did, and if it could be overthrown by criticism, it would be worthless." "Marxists should not be afraid of criticism from any quarter. Quite the contrary, they need to temper and develop themselves in the teeth of criticism and in the storm and stress of struggle." ("Selected Works of Mao Zedong," vol 5, p 391) The main problem on the theoretical front today is that the discussion of theoretical problems has not been correctly carried out. Some comrades regard themselves as infallible and will not listen to any criticism. The moment some comrades hear views which differ from theirs, they usually silence them in an oversimplified and crude way and will not solve a problem by means of discussion on the basis of equality. This attitude runs counter to Marxism and is harmful to defending and developing Marxism.

In order to ensure that theoretical work can be carried out more normally and healthily and without interference, we must pay attention to differentiating theoretical study from theoretical propaganda. Newspapers and radio stations should, under the leadership of the party, unfold lively and feasible discussions on correctly understanding and implementing various policies and principles of the party. This is conducive to carrying out thorough propaganda and education among the cadres and the masses. But this kind of discussion should not become an open debate of the right and wrong of the party's basic policies and principles, in order to avoid causing confusion among the masses. Similarly, for the sake of listening to opinions from all quarters, questions involving policies and principles or some important political questions that have not yet been decided on by the Central Committee may also be openly discussed in newspapers if the Central Committee has agreed to do so. But we must be ready to make conclusions within a certain period of time during this kind of discussion so that the cadres and the masses will not be at a loss as to what to do or to act as they think correct. Otherwise, it is not advisable to have such discussion. Even greater prudence is needed in publicizing policies and important measures which are still in an experimental stage. We must objectively and comprehensively reflect the situation and should draw hasty conclusions.

The "Resolution of Certain Questions in the History of Our Party Since the Founding of the PRC" has pointed out, "It is imperative for the whole party to engage in a more diligent study of Marxist theories, of the past and present in China and abroad, and of the different branches of the natural and social sciences." Let us seriously study the works of Marx, Engels, Lenin and Stalin and the works of Comrades Mao Zedong, Zhou Enlai and Liu Shaoqi, strive to go deep into theoretical problems that emerge one after another in reality and make new contributions in making use of and developing Marxist theory, studying new situations and solving new problems.

SOCIALIST HUMAN RESOURCES SYSTEM ENGINEERING

Beijing RED FLAG in Chinese No 2, 16 Jan 82 pp 19-22

[Special commentary by Qian Xuesan [6929 1331 2773]]

[Text] In our socialist country, the people are the masters. The state is responsible for the people and has the duty to cherish the entire people, organize the people, bring the enthusiasm of the people into the fullest play, give scope to the intelligence and wisdom of the people, and build socialism in the interests of the people. What we mean by the people is the workers, peasants, intellectuals and other patriotic people. Thus the concept of talented people has been expanded. What we mean by talented people refers to the talents and capabilities of the people in all trades and professions among the people rather than the so-called geniuses. Such a question of talent did not exist in any society in the past and only under socialism can it be put to the fore. So it is a brand-new question.

On this important and wide-ranging question, what I am going to touch on is naturally limited and premature. However, I would like to air my view so that everyone can discuss the question together.

I

Where do man's abilities come from? Are they inborn or acquired after birth? The studies of modern psychology and physiological psychology have shown that most of man's abilities are acquired gradually after his birth, namely, acquired step by step through practice. An animal is different from man. Its abilities are mostly hereditary. A cat's instinct is to catch mice and a worker bee instinctively gathers honey. Man's "natural gift" lies, as it is said, in the extremely great plasticity of man's brain. A man studies and enhances his abilities and wisdom all his life. Comrade Zhou Enlai said: "Learn, work and remold yourself as long as you live." Facts are really like this. This is a scientific thesis. Then do we hold that there is no difference between one man and another? Certainly not. For instance, a man is possibly born with hereditary or embryonic defects, but this case constitutes a tiny minority. What is more important is that the immense variety of things and practice a man undergoes after his birth and the varied education and practice he receives later are the chief causes of the difference in men's abilities. It is a pity that up to now psychology and pedagogy have not found out a complete set of laws. Very often people say that this child is clever and that child is stupid, but they do not know why. To find out this law, it is necessary to engage in the study of the science of thought. At present we have to rely on some incomplete "wise remarks of experienced persons" and on things like autobiographies of some people who have had very successful careers and famous scientists in developing the intelligence of children. Therefore, the science of thought as well as psychology and pedagogy are really the foundation for developing intellectual resources. We must attach great importance to the study of these sciences. It is unfortunate that during the 10 years of internal disorder the work in this field was attacked and wrecked in varying degrees and the bad influence has remained to be felt up to this day.

Apart from intelligence, man's ability consists of knowledge. That is to say, the recorded practice and experience of mankind and the knowledge of the objective world derived therefrom are summarized into branches of learning. This knowledge concerning branches of learning can be taught to the new generation and to those who need it. Either the teachers give lectures on the knowledge and the students attend these lectures, or the students master it through self-study. By education, we mean chiefly this matter. The importance of education in developing man's ability is intimately known to all.

By dividing intelligence and knowledge into two separate parts, I mean to stress that there is a difference between the two. How to develop man's intelligence has remained an obscure problem up to now, but it is relatively easy to increase one's knowledge. There is a complete set of effective measures in this respect. Of course, intelligence and knowledge are related. Those people who show a lot of intelligence can acquire knowledge very quickly. Substantial knowledge contributes to the improvement of intelligence. In increasing his knowledge and experience, instead of depending mainly on his intelligence, a man has to study.

After a man is born, no matter how, his ability varies owing to different experiences and different conditions for study. The difference is manifested in two fields: one is that man's ability might be great or small, and the other is that men's abilities are different. The former refers to the fact that the results of work in a certain field are different, different in both quality and quantity. The latter refers to the fact that men's abilities are different. Some people can do certain work well in both quality and quantity, but they might do work in another field badly in both quality and quantity. Therefore, so far as the state is concerned, it is a big problem how to put the most suitable people in the most suitable work posts. This is a question of using people and central to this question is judgment of people. People like to mention the historical story of Bo Le's spotting a horse that could cover 1,000 li a day, and even call it the theory of Bo Le. Quite a few young people consider themselves to be

1,000-li horses in the march toward science and always complain that they have not been spotted by a Bo Le. For this reason, they take delight in talking about this question. We must take a scientific approach to it.

First, a 1,000-li horse is only one type of horse. A horse that covers 1,000 li a day might not necessarily compare favorably with a draft horse in drawing a heavily laden cart. Building socialism requires all kinds of talented people. So a 1,000-li horse is not necessarily more superb than any other horse. This depends on the type of work. The so-called "geniuses" trumpeted by the old society frequently did not recognize the talents in all trades and professions among the people. This is a manifestation of narrow-mindedness and can also be said to be a class prejudice. We need not only 1,000-li horses and Bo Le's who can spot them but also other types of horses and people who are good judges of them.

Second, was Bo Le's ability magical? Of course not. Invariably, objective things have their own laws. We must understand these laws. Is it so difficult to understand the laws? It does not seem so. In the scores of years of revolutionary struggle, has our party not discerned and selected large batches of cadres from among tens of thousands of revolutionaries and not promoted fine leaders from among them? Has it not been very successful? The success in the promotion of revolutionary cadres and revolutionary leaders shows that it is possible to master the laws of judging fine people who are engaged in revolutionary work. If we can understand one aspect of a thing, we will be able to understand two or three other aspects.... The question of knowing people covers the study of the characteristics of able people in all trades and professions in the course of building socialism so that we can discern these characteristics promptly and accurately. This is the real task of the theory of human resources. The scope of study of the theory of human resources is extensive, and it must not be confined only to discerning people qualified in scientific research.

II

Above, we have studied the differences and changes between one man and another in terms of the process of the development of man's ability. That is so not only in terms of experience and practice but also in terms of physiology. A middle-aged man is different from a young man, and needless to say, being physically weak, an old man is naturally different from a middle-aged or young man. Therefore, the ability of one man and another is not only different, but changes as a man ages. The work which best suits a young man will not necessarily suit the same man in his middle or old age. In order to suit a person to his work and put the most suitable persons in work posts, a flow of personnel must be allowed. This state of affairs is commonly seen in foreign countries, where no one remains for a lifetime in one position.

There is another reason for changes in work, viz, that science and technology are advancing and society is developing, thus resulting in the constant evolution of the affairs that man must handle. With the changes in work fields, those departments which formerly needed many hands have become departments which need only a few hands, and posts which did not exist in the past have now emerged. This state of affairs might not have been noticeable in feudal society, for history progressed slowly at that time and there were few changes in a man's lifetime. Now, things are new and different every day. Changes take place in the period of scores of years and even in a very few years. Great changes are expected to take place in our country between now and the year 2000.

Owing to the above-mentioned reasons, to put the most suitable persons in the most suitable positions, the positions of personnel must not be fixed. In our socialist country, the problem is how to realize the flow of personnel. Must there be a spontaneous flow of personnel and must people look for jobs themselves? This will lead to social chaos and is therefore not desirable. This work should be rationally arranged by the state in a planned way by taking into consideration the situation as a whole.

Another problem in China's personnel work which requires a solution is how to arrange the retirement of cadres in their old age and how to take care of their livelihood and arrange appropriate activities for them after retirement. At present, China has about 200 million cadres and they will possibly grow in number with the development of the socialist cause. If we say that a cadre will retire after he has worked for the people and the country for 40 years and live, on average, 10 more years after retirement, the ratio will be 4 to 1. Hence, there will be 5 or 6 million retired cadres in our country. This figure does not include the retired staff and workers plus the retired workers of the enterprises under the system of ownership by the whole people. In the near future the number of retired personnel that the state will have to take care of will increase. Our present rules and regulations in this regard are imperfect. The arrangement of life and appropriate work for the retired personnel is mostly delegated to the units they belong to, thus becoming a burden to the units and resulting in failure to give full scope to the roles of the retired personnel and to let them really have a new life and serve the people within their power while spending their remaining years in jubilation. The state assumes full responsibility for providing for the retired personnel. This is a manifestation of the superiority of the socialist system. We must take a step further and look upon these personnel with rich experience as the valuable treasure of the country rather than as a negative burden. Only in doing so can the inherent superiority of socialism be brought into full play.

The existing state of affairs in China in which the various units separately handle their own affairs in personnel work exist not only among the retired personnel but also among the youths waiting for jobs. Drawbacks have cropped up with this method. In fact the phenomena of decentralized management can be found widely. For example, apart from a small number of senior cadres who are subject to the centralized administration of the central authorities, the overwhelming majority of cadres and the whole body of workers should be taken care of by their respective units. The institutions of higher learning which train young people are only partially subject to the direct jurisdiction of the Ministry of Education, and quite a few institutions of higher learning are put under the management of the various departments under the State Council and various provinces, municipalities and autonomous regions. The overwhelming majority of technical schools at the secondary educational level are managed by the various departments themselves. On-the-job study has become the exclusive business of the departments concerned. Assignment of jobs or positions to people who have received an education is, therefore, also put under decentralized management. So the practice of "a waterfront pavilion getting the moonlight first"--benefiting because of the favorable position one is in--is difficult to avoid.

In my opinion, the emergence of this state of affairs is understandable. After all, our country was established directly on the basis of the feudal society with more than 2,000 years of history and on the basis of a semifeudal and semicolonial system with more than 100 years of history. In the interval, there was no social system based on mass production. Only 20 years or more have elapsed since the basic completion of socialist transformation; this is too short a time. In between there were also the "10 years of internal disorder." However, the drawbacks of this decentralized management system have become very pronounced. I had previously appealed that reforms should be made, that the training, promotion and use of personnel be put under centralized management, that a good job be done in cherishing as well as organizing and taking care of 1 billion people, and that the people's abilities should be enhanced, on the one hand, and that suitable posts be arranged for everyone, on the other hand, so that everyone could make the best use of his ability. This is also a matter of prime importance in building socialism and also an important matter which did not exist in the past society and other countries and which demands our pioneering efforts.

III

To train, promote and use 1 billion people and arrange their retirement and life after retirement well, it is imperative for the state to establish a unified, centralized and graded management system. Is this work too complicated? Can it be managed well? Let us make a concrete analysis of the following things:

First, our party has 60 years of experience in governing the cadres, of which quite a few experiences have been successful, as we mentioned above. There has also been quite a lot of experience in the 32 years since the founding of the PRC. We must earnestly sum up these experiences.

Second, we can use our good experience in using people and the experience of foreign countries in training, promoting and using talented people for reference. Because the social systems are different, these experiences must not be copied and applied everywhere indiscriminately and mechanically. However, the experiences of the capitalist countries in using people have been obtained under the conditions of socialized mass production and of highly developed science and technology. For instance, personnel are released from their regular work to take part in short-term training and are promoted to higher positions based on the results of their studies. This method goes around and begins again. Thus more professionally competent people are selected time and again. Those who have failed to do their work satisfactorily are transferred to new posts where they can give scope to their specialities. This method is scientific and we must use it for reference.

Third, the management technique of keeping dossiers on cadres. Once a centralized and graded management system is in force, it will possibly be necessary to concurrently assess tens of thousands of people and to select the most suitable from the dossiers of tens of thousands of people. It does not really work to use the old method of leafing through the dossiers file after file. Now, there are electronic computerized systems for reviewing archives, and thus looking into archives becomes automatic. It works 10 million times faster than the method of looking into archives manually. So long as the conditions for selecting cadres are fixed, electronic computers can automatically select the most suitable people. Archives are recorded on tapes, which can be constantly replenished. The conditions of a man's work and the reactions and comments of the masses, his colleagues and leadership to him can be sent to the archives and added to his dossier through normal channels. This complete set of techniques has now been fairly well perfected and is available for use. So there is no need to worry about falling short of one's wishes and about being unable to manage the work well.

Fourth, to really begin this system in education work, not only must primary schools, middle schools, secondary technical schools, secondary vocational schools and institutions of higher learning be greatly developed, there must also be a great variety of all kinds of short-term training classes attended by people not engaged in production or not withdrawn from production. Is the organizational work of centralized management too elaborate? Like the previous question, the answer to this question is that the work can be wholly done by electronic computers and there are no difficulties at all.

Fifth, the modernization of teaching work can substantially raise efficiency and save money. This "education with electronic audio-visual aids" is already known to all. Lectures given by an experienced teacher with great learning who is an excellent teacher can be recorded and then broadcast throughout the nation with thousands upon thousands of students hearing them. Our television has now begun to adopt this method and has achieved marked results. In fact, this work is expected to be done better in the future. We can use synchronous earth satellites over the equator to rebroadcast television programs or we can go more directly and use the direct broadcasting television satellites on a synchronous orbit to broadcast educational programs with electronic audio-visual aids to any border region. This technology is readymade. Besides, the number of television sets is increasing in the countryside. Putting into practice this modern teaching method is no longer a matter within sight but beyond reach.

Sixth, the ability to discern talented people. This can also be summed up. The key to this question lies in finding out people who know the business. Bo Le could spot a horse that could cover 1,000 li a day, but he might not necessarily be able to distinguish other types of horses. It is not difficult for a professor of physics to spot a physics postgraduate student and to judge whether to enroll him as his student, because he knows the characteristics which a postgraduate of physics should possess; even if he fails to find the characteristics from the answers in the postgraduate's examination papers, he will solve this problem easily by speaking to the student face to face. So face-to-face speaking between experts and prospective candidates is a good method to discern talented people. This has been proved for a long time. Then must specialists in all kinds of fields be on the spot to judge and assess the detailed archives in using the techniques in the third and fourth points mentioned above? Of course not. There is now a new manmade intelligence technique operated by electronic computers called a "specialist system." This specialist system can draw on the methods of judgment and assessment of experts being fed into the computers and let the computers learn to manage the abilities of the experts. When the experts are not on the spot, the computers can do the work for them. So the question of judging people is not difficult to handle.

Seventh, systems science and systems engineering. It is an unprecedentedly large-scale organizational and administrative task to have the state assume all-round responsibility for training, promoting and using 1 billion people from birth to death. If this question were raised 40 or 50 years ago, people would have thought that the question was so extensive that they would not know where to begin. Now we have already entered the 1980's. The systems engineering developed during this stage and its pure operational research have become a mature discipline and are gradually forming a branch of learning--systems science. Wiith systems science it is not difficult to face the questions of governing socialist human resources which I have mentioned above. Our objects are in fact a giant system with 1 billion units. This system consists of a number of components, namely, educational subsystem, archive storage and retrieval subsystem, and retired personnel subsystem. Every subsystem consists of some levels. For example, the province is a level and the state is the highest level. Problems can be solved first in the lower level, but the solution of problems must not be confined to one level. When no satisfactory solution is arrived at, the problems can be advanced to a higher level and be handled there. So the whole system, the giant system, is still unified under the state's centralized management. Establishing and operating such a human resources system can be called socialist human resources systems engineering. By the term socialist we mean that this human resources system is based on the fundamental principles of socialism.

With the above-mentioned seven things which can be used to establish our human resources system and do concrete work, in my opinion, provided we realize the importance of the question of human resources to the building of socialism and are resolved to promote this work, then this brand new undertaking can be fulfilled in not too long a time because we have ready-made science and technology to use. Of course, in doing so we need some new equipment, and some investment is indispensable. Compared with the investments poured into the state's various capital construction projects, the investment in the completion of socialist human resources systems engineering itself is much smaller.

What can be attained is not necessarily just around the corner, but rather will take a certain amount of time. Besides, everything cannot always be perfect, leaving no problems to be solved. It will take time to start our socialist human resources systems engineering. Once it is established, it will still require constant improvement. The country is advancing and so is the socialist cause. Any established system invariably fails to keep abreast of the changes in reality. That is to say, the socialist human resources systems engineering can solve the problems of substantial importance, but it cannot solve all problems in the work of training, promoting and using talented people, and there exist contradictions in it. What should be done concerning the contradictions? In handling the contradictions, we must still rely on ideological consciousness and on taking the interests of the whole into account. In other words, it is of great importance to always persist in ideological and political work among the people. People look upon ideological and political work as the work of building the socialist spiritual civilization, and in fact the training, promotion and proper use of people's talents is also the work of building socialist spiritual civilization.

GIVE THE PEASANTS MORE AND BETTER SPIRITUAL NOURISHMENT

Beijing RED FLAG in Chinese No 2, 16 Jan 82 pp 23-26

[Article by Zhou Weishi [0791 1550 1492]]

[Text] Amid the sound of gongs and drums to jubilantly celebrate bumper harvests in the vast countryside, the Ministry of Culture held a national meeting in recognition of advanced collectives and advanced workers in rural cultural and art work, thus ushering in a year of new developments in rural culture and art undertakings.

Since the 3d Plenary Session of the 11th CCP Central Committee, there has been now a vast panorama full of vitality in the rural areas throughout the nation, and the large numbers of commune members have been full of joy because of the gradual implementation of rural economic policies and the continuous perfection of the production responsibility system. Agricultural development is now on the upswing. This is an excellent situation rarely seen in many years. With the development of production and improvement in the people's livelihood, the broad masses of peasants have continuously raised new demands for improvements in cultural life. This has brought about a new situation in our country's rural cultural work and also has imposed new tasks on us.

Under the correct leadership and kind attention of the CCP Central Committee, the leadership at various levels and the vast numbers of literary and art workers have adopted positive measures to enrich the cultural life of 800 million peasants through all kinds of forms, have carried out education on collectivism and patriotism among the peasants and have encouraged them to struggle to build a new socialist countryside with a prosperous economy while enhancing their lofty spirit. In the past few years, the rural cultural and art undertakings have been greatly restored and developed and the rural cultural activities have been relatively enlivened. At present, there are nearly 90,000 rural film projection units, 3,000 county cultural palaces, over 1,500 libraries at county level and 27,000 commune cultural centers throughout the country. Over the past 2 years, financed by the state, 3,000 more commune cultural services have been set up and more than 3,000 cinemas and theaters in rural market towns have been rebuilt or built by relying mainly on the strength of the collective economy of the communes and their subdivisions. Between January and September of last year, the rural film projection units and the cinemas and theaters in rural market towns provided more than 16 million film shows to a total audience of 13.3 billion, which averaged 16 film shows per person. The vocational performing art troupes went to the countryside and put on 560,000 or more performances in 1980 and the number of performances staged by commune art troupes and amateur peasant troupes was even greater. Many cultural palace centers, and in particular cultural services, provide every cultural activity imaginable, including entertainment and study. There are not only recreational activities but also study guidance provided and technical research and sports meets in the cultural palaces and service centers. Their programs are substantial and colorful and are, therefore, warmly welcomed by the peasants. These cultural activities have met not only the demands for the cultural life of the peasants and enhanced their political consciousness, but also have played a positive role in developing agricultural production, consolidating the situation of stability and unity, changing the general mood of society and bringing up a new generation in the countryside. So, generally speaking, the rural cultural situation is good and substantial results have been made in rural cultural and art work. However, it must be soberly realized that the rural cultural work is still far from meeting the needs of the cultural life of the vast numbers of peasants. The peasants in some mountainous border areas have sighed that "We have no worries about food and clothing, but what we worry about is that there are no films or plays to see." This state of affairs exists rather widely. The peasants who have some cultural activities have voiced the opinion that "we do not have to worry about food, clothing and housing, but what we are anxious about is that the cultural activities are not adequate." The peasants in regions where the cultural activities are fairly rich also raise the demand: "We have become prosperous. We eagerly hope to see performances by leading and famous actors and actresses of the big troupes." Thus, it can be seen that to satisfy the new demands of the large number of peasants at the new stage is an urgent task confronting the leadership of the party committees at various levels and the departments concerned, and also a bounden glorious duty for the broad masses of literary and art workers who are determined to serve the people.

Ours is a big socialist country with a population of 1 billion, of which 800 million are peasants. Doing a good job of rural cultural and art work is of great significance to overall socialist construction and especially to the building of a spiritual civilization. Serving 800 million peasants is where the future of the development of various literary and art undertakings lies. There exists a large audience and body of readers and a vast cultural and art "market," and there is ample scope for utilizing the abilities of literary and art workers there. Only when a genuine and proper job is done in rural cultural and art work can we be regarded as having taken care of the peasants in satisfying the people's needs for spiritual nourishment. Developing rural culture and art work is not only a question of culture but also a question of politics. Only if rural culture and art work are done well can we create the necessary spiritual conditions for promoting cooperation between city and countryside, strengthening the worker-peasant alliance, and gradually reducing the difference between city and countryside and between industry and agriculture. Our multitudinous minority nationalities mostly reside in the vast countryside, mountainous areas and border regions. Only when a better job is done in rural culture and art work can the backwardness in the cultural development of the minority nationalities be brought to an end; this is a problem left over from history. In building culture in the border rural areas and pastoral areas, there is a serious need to resist capitalist and social imperialist cultural infiltration and to struggle against antagonistic ideologies and culture. This task is extremely arduous and requires long, hard struggle. Only in so doing can success be achieved.

In his report on government work delivered at the 4th session of the 5th NPC, Comrade Zhao Ziyang made a profound exposition of the relationship between socialist cultural and material development: "In the work of socialist modernization, we must strive for a high level of both material and cultural development. The two are inseparable. Only by doing this can we ensure the sustained growth of the national economy and the socialist orientation of material development." The experiences of quite a few rural communes and their subdivisions have proved, both positively and negatively, that doing a good job of cultural development is a guarantee for material development and can play a motive and promotive role; when things do not go well, it might play a negative role; abandoning cultural development means letting capitalist and feudal cultural trends spread unchecked. This will inevitably play a disruptive role in the rural situation of stability and unity. The view and opinion that regard rural cultural work as "singing and dancing, chatting and laughing, playing and fooling around and of being of no importance" and neglecting it are extremely harmful and detrimental to the all-round construction of a new countryside. We must proceed from a strategical perspective and from the great task of bringing up new socialist peasants who can get a good grip on the building of rural culture step by step. In particular, we must not ignore the building of rural culture in remote districts where feudal and superstitious activities are rampant and in frontier areas where the cultural struggle is acute.

In the present rural culture and art work, one striking new problem is unbalanced development; one prominent demand is to closely combine popularization with the raising of standards and to correctly handle the relationship between popularization and the raising of standards both in ideology and work. Comrade Mao Zedong pointed out: "By the raising of standards, we mean the raising of standards on the basis of popularization; by popularization, we mean popularization under the guidance of the raising of standards." The popularization of rural culture and art means giving more healthy, progressive and revolutionary nourishment to the broad masses of peasants and, proceeding from this, it is necessary to enrich their cultural life, foster their ideology and morality, arouse their revolutionary spirit, and at the same time raise their levels of science, education and health so as to bring into full play their roles in building the socialist material civilization and spiritual civilization. Our culture and art must not only suit the acceptance and appreciation abilities of the great numbers of peasants but also continuously foster and raise the levels of their acceptance and appreciation abilities so that they can steadily widen their realm of thought to include knowledge of aesthetic perception. By doing this we can achieve genuine popularization and really raise standards. The practices of indulging in self-admiration and cutting oneself off from the masses will not play any role at all. We mean this in terms of the interrelations between popularization and the raising of standards and the general goal. In terms of work, it is necessary to treat the relations between popularization and the raising of standards according to different cases, each having its own stress. Seen from the present situation in which rural cultural life is relatively animated but is developing unevenly, first and foremost, much work is still required in order to popularize it extensively. Take the structure of rural culture and art work for example. Throughout the nation there are still some prefectures, (municipalities, autonommous prefectures and leagues) which have no mass cultural palaces; a considerable number of counties have no libraries and cultural palaces; more than half of the communes have not yet set up cultural centers, and the communes which have set up cultural centers and initially formed cultural services are very few in number. Quite a few counties and communes and particularly those in mountainous border areas, the areas where minority nationalities reside, and the frontier regions have no cinemas and theaters; quite a few production brigades and production teams have no cultural rooms or clubs; in quite a few regions there are no places for the peasants, herdsmen and fishermen to read books and newspapers and no places for them to engage in recreational activities. Owing to the lack of genuine cultivation of the idea of serving the countryside, some localities and departments have attached insufficient importance to rural cultural and art work. For instance, some localities pay excessive attention to the construction of cinemas and theaters in market towns. This is of course correct, but they relax the leadership and management over rural film projection units, thus giving rise to the phenomena in which some film projection units only concern themselves with revenue and only want to show films in economically prosperous places which have good transportation services. There are also phenomena in which some vocational performing art troupes as well as actors and actresses are afraid of difficulties and hardships and unwilling to put on performances in the rural areas. Under these circumstances, although the localities with fairly good conditions have built new cultural facilities such as rural cinemas and theaters, they have not played their proper role in rural cultural services because there is no way to guarantee fixed performances or cultural activities. Therefore, it is imperative to proceed from actual conditions and get a good grip on popularization work. In accordance with the principle of adapting demands to possibilities, it is necessary to gradually develop more rural cultural facilities by relying chiefly on the strength of the collective economy of the communes and their subdivisions. Special consideration should be given to the needs of regions where peasants find it difficult to enjoy cultural life. The state should support them in this respect as much as possible. When performing art troupes go to the countryside, they must try their best to give performances in these regions.

The localities where the popularization work of the rural culture and art is done fairly well must put on their important agenda the raising of the standard of art cultivation of the cultural and art workers and the quality of art production. "The people want popularization and then the standards raised. They want the standards to be improved year by year and month by month." If we invariably cling to the pattern of "men, hands, mouths, knives, cows and sheep" and have not for a long time improved the ideological contents and the quality of art and technical level, our work will deviate from the practical requirements and from the people, and the masses will not want to see it and will voice many complaints.

The raising of the standards of culture and art, first and foremost, means improving the ideological content, the creative quality and the level of aesthetics. In regard to cultural administrative departments, it is imperative to exert strenuous efforts together with the various associations of the China Federation of Literary and Art Circles to grasp well creations and provide the vast numbers of peasants with more and better nourishment. Last year the Ministry of Culture called a symposium on creating rural subject matter and sponsored performances of traditional operas and quyu (folk art forms including ballad-singing and storytelling) before fellow artists, encouraged creations on rural themes and awarded a number of fine works. The propaganda and cultural departments of the CCP committees of various localities have paid close attention to creation in this field and are mobilizing and organizing writers and artists to go deep in the countryside, go down to grassroots units and immerse themselves among the masses to learn about the situation, observe and learn from real life and engage in creation. Many rural amateur writers are also enthusiastically carrying out creative work. In the past few years, great changes have taken place in the countryside. In the countryside a host of new people and new things, good people and good deeds have emerged, a scene of inspiring people with enthusiasm which can help up broaden our horizon and expand the ideological realm, thus creating very favorable conditions for creating rural subject matter and constantly improving the ideological contents and the quality of art. We believe that under the guidance of the policy of letting a hundred flowers blossom and weeding through the old to bring forth the new, large numbers of fine works that reflect rural real life will constantly emerge.

Another question is the improving of professional skills. The ways and means for raising professional skills are multifarious. Over the past few years, various localities have selected a number of key leadership and professional members of the art and cultural palaces, county vocational performing art troupes, libraries and film projection units and allowed them to engage in advanced studies in their cultural areas, sponsored various vocational training classes or training classes in rotation so as to improve the vocational levels of the key members of the grassroots literary and art activists; the vocational cadres of the art palaces, libraries and film companies have directly gone down to give guidance in vocational study of training to the communes and their subdivisions. These practices are desirable. It is necessary in the future to sum up the experiences in this respect and push these practices forward a step further on the existing foundation and carry them out in a better way.

Here I would particularly like to discuss the questions of the vocational performing art troupes persisting in going to and performing in the countryside and mountainous areas and to the raising of level professional work. The distribution of China's performing art troupes is very irrational owing to historical and practical causes. The vocational performing art troupes are too concentrated in some big and medium-sized cities. Over the past few years, although the performing art troupes of the big and medium-sized cities have more frequently given performances in the rural areas, they have not paid due attention to this work, resulting in an abnormal phenomenon in which there has been a fall in the attendance at performances in cities put on by some opera troupes, very few vocational performing art troupes have staged performances in rural areas and the peasants have not been able to see any operas. In the future, all kinds of vocational performing art troupes at various levels must organize a contingent of handpicked actors and actresses of great attainment and go to the countryside to give performances to the large numbers of peasants with simple and convenient stage properties and good programs. This must be made a regular practice and systematized. We hold that the troupes at central, provincial, municipal and autonomous regional levels should devote 15 to 30 percent of their time in a year to giving performances in the countryside and mountainous areas; those at municipal level, about half of their time, and those at prefectural and county levels at least two-thirds of their time to putting on performances mainly in the countryside (pastoral areas). Since the art types are different, the number of performances might also vary. The performing art troupes have at present difficulties acquiring revenue. Together with the concerted efforts of the financial, agricultural, and forestry departments, quite a number of provincial and municipal cultural departments have drawn a certain amount of undertaking funds with which they gave awards or policy subsidies to the troupes which have done well in the work of giving performances in the countryside and mountainous areas. These methods and experiences deserve study and recommendation.

In going down to the countryside, the vocational performing art troupes have three tasks: to meet the cultural needs of the peasants, improve their ideological level and the level of art appreciation; to provide vocational coaching to professional art personnel and the key amateur literary and art activists and raise their professional skills; and to learn from the vast numbers of peasants, grassroots cultural and art workers and amateur literary and art activists and improve their ideological quality and artistic levels. Of course, the aim for the vocational performing art troupes to go down to the countryside is chiefly to do popularization work, but this does not, in the slightest degree, mean that they can weaken their own tasks and roles in the work of raising standards. The performing art troupes of big and medium-sized cities, in particular, must all the more put the tasks of the raising of standards to an important position. These kinds of performing troupes have numerous famous actors and actresses, strong creative forces and high level of performance. They must not only give the peasants brilliant programs but also play an exemplary role for the prefectural, county, commune and amateur opera troupes and shoulder the tasks of improving professional skills of the actors and actresses of these opera troupes. As for the performing art troupes of the big and medium-cities themselves, there is also a problem of raising standards. It is of great use for laying a foundation for portraying and performing well the life of the peasants and raising vocational work to go to the countryside and mountainous areas to perform for the peasants, to learn from the peasants and society, to acquaint oneself with the new look of the countryside and to substantiate one's own ideological cultivation. In short, doing a proper job in the work of vocational performing art troupes in the countryside and mountainous areas is both a must in upholding the party's literary and art orientation, doing well the work of popularization and the raising of standards and meeting the growing needs of the peasants and an important measures to raise one's own ideological quality and the quality of art. This kills many birds with one stone. We must have an adequate understanding of this matter.

The practice over the past few years has proved that doing well and developing the rural cultural and art undertakings require vigorous support from all trades and professions, and the key to this work lies in whether the local party committees attach great importance to it or not. Wherever the party committees attach great importance to rural cultural work, cultural and art undertakings spread, develop and improve at a fast rate. Therefore, future rural cultural work depends mainly on local party committees. Here I would like to stress that in times of difficulties, instead of remaining inactive to wait for something to happen and grumbling, our rural cultural and art workers must try their best to win the concern and support of the local party committees and do their utmost to overcome difficulties and do their work satisfactorily of their own accord as the vanguard fighters and model workers who are active on the rural cultural and artistic front have done. We fervently expect that the vast numbers of writers and artists and literary and art departments will make new contributions to the building of a rural socialist spiritual civilization and of cultural and art undertakings that will serve 800 million peasants with new practical actions in the new year.

PERSIST IN STUDYING MODERN CHINESE HISTORY UNDER THE GUIDANCE OF MARXISM-LENINISM-MAO ZEDONG THOUGHT--COMMENTS ON 'FROM THE OPIUM WAR TO THE MAY FOURTH MOVEMENT'

Beijing RED FLAG in Chinese No 2, 16 Jan 82 pp 18, 27-29

[Book review by Qi Longwei [4362 7893 1218]]

[Text] Comrade Hu Sheng's monograph "From the Opium War to the May Fourth Movement" has been published by the People's Publishing House. This work is an achievement of an author who persisted in studying the history of modern China under the guidance of Marxism-Leninism-Mao Zedong Thought. I really benefited from reading this book.

In old China, there were almost no works on the history of modern China written from the viewpoint of Marxism-Leninism. At that time, I read many books on modern Chinese history which covered the period since the Opium War. These books can be classified into two groups on the basis of content: The first group consists of "histories in which the strong preyed on the weak" written by apologists for imperialism. The second group includes "histories of internal disturbances and foreign aggression" written by landlord and bourgeois literati. In going all-out to vilify and attack the Taiping Rebellion, the reform movement of 1898, the Yihetuan Movement, the Revolution of 1911, ... These writers aimed at opposing the people's great revolution led by the CCP. Landlord and bourgeois literati always oppose studying history from the viewpoint of class and class struggle. For example, the old specialist Jian Youwen, who had studied the history of the Taiping Rebellion for over 50 years, flatly denied that there were classes and class struggles in the modern China and simply negated the nature of the Taiping Rebellion as an antifeudalist agrarian revolution. Fallacies like this always divorce the reader from the truth of history and make him feel as if he is lost in a thick fog.

While leading the Chinese revolution to win the great victory of liberating hundreds of millions of people, Marxism-Leninism-Mao Zedong Thought also put historical studies on the right track. In seeking the laws of the Chinese revolution, Comrade Mao Zedong made use of historical materialism to draw a series of scientific inferences in the light of the actual situation in China. This forced people to reinterpret Chinese history, which stretches back several millennia, especially the history of the last 100 years since the Opium War.

Comrade Mao Zedong said, "We are historical materialists who oppose historical idealism." ("Selected Works of Mao Zedong," vol 4, p 1452) The basic principles of historical materialism are the class analysis of class society and the analysis of problems from the viewpoint of class struggle. The Chinese communists headed by Comrade Mao Zedong found two major contradictions in modern Chinese society: the contradiction between imperialism and the Chinese nation and the contradiction between feudalism and the broad masses of people, the former being the most important. It is against the background of these two contradictions that the anti-imperialist and antifeudalist revolution of the Chinese people was sparked and developed. Just as Comrade Mao Zedong put it, "The process by which imperialism, together with Chinese feudalism, turned China into a semicolony and then a colony can also be regarded in another way as the process by which the Chinese people resisted imperialism and its running dogs." ("Selected Works of Mao Zedong," vol 2, p 595)

Only by upholding the viewpoint of class struggle in interpreting the history of the last 100 years since the Opium War can we expound scientifically the objective laws governing the historical development of modern China and thus teach the people and serve proletarian politics. Comrade Hu Sheng has made great contributions in this aspect.

In the early 1950's, the People's Publishing House published "Imperialism and Chinese Politics" by Comrade Hu Sheng. In this book, he focused on the most important contradiction in modern Chinese society, linked it to extremely complicated historical phenomena and thus thoroughly revealed the fact that imperialism was the number one enemy of the Chinese people.

Soon after that, Comrade Hu Sheng published his article "On the Problem Concerning the Division of Modern Chinese History Into Periods" in the first issue of HISTORICAL STUDIES. In this article, inspired by the trend of anti-imperialist and antifeudalist struggle of the Chinese people, the author put forth the original concept of three revolutionary high tides reflecting the progressive historical trends of modern China.

On this basis, Comrade Hu Sheng gradually accumulated the results of his research on modern Chinese history and finally managed to write the book "From the Opium War to the May Fourth Movement."

Apart from the "preamble," the book is divided into five parts in accordance with the concept of three revolutionary high tides: part 1--"The Opium War and the Taiping Agrarian Revolution," covering the two opium wars and the Taiping agrarian movement and reflecting the rise and fall of the first revolutionary high tide; part 2--"The Shaping of the Semicolonial and Semifeudalist Ruling Order," covering the period from the defeat of the Taiping Rebellion in 1864 to the end of the Sino-Japanese War of 1894-1895, and during which a new high tide of the Chinese revolution was developing;

part 3--The Reform Movement of 1898 and the Yihetuan Movement," which reflects the rise and fall of the second revolutionary high tide; part 4--"The Revolution of 1911 Led by the Bourgeoisie," which reflects the third revolutionary high tide; and part 5--"The Transition to the New Democratic Revolution," which marks the turning from darkness to light.

There is no doubt that historical science research in our country has made unprecedented progress under the guidance of Marxism-Leninism-Mao Zedong Thought since the smashing of the "gang of four," in particular since the 3d Plenary Session of the 11th CCP Central Committee. The publication of Comrade Hu Sheng's new works is significant proof of this. However, owing to the pernicious influence of the "use of innuendo in writing about history" by the Lin Biao and Jiang Qing counterrevolutionary cliques and the infiltration of foreign bourgeois thinking, the authors of some articles published in newspapers and journals in the last few years have deviated from Marxism-Leninism-Mao Zedong Thought and have thrown away the method of class analysis in interpreting modern Chinese history. Under these circumstances, the publication of Comrade Hu Sheng's new work is greatly needed. Back in 1951, when discussing the film "The Life of Lu Xun," Comrade Mao Zedong did criticize some writers for "not bothering to find out what new economic formations of society, new class forces, new personalities and ideas had emerged in China during the century and more since the Opium War of 1840 in the struggle against the old economic formations and their superstructures (politics, culture, and so on), before they decided what to commend and praise, what not to, and what to oppose." ("Selected Works of Mao Zedong," vol 5, p 47) Comrade Mao Zedong called for upholding class analysis in making this serious criticism, and this is the right method and principle for the study of the history of class society, including the study of modern Chinese history. This method and principle were illustrated throughout the works of Comrade Hu Sheng, where the most prominent part is his important insight into the problem of the key to modern Chinese history.

Who represented the progressive trend in modern Chinese history? A number of arguments have been advanced in the historiographical circle in recent years. One of the schools upholds class struggle as the key and advocates that modern Chinese history was characterized by agrarian wars, bourgeois movements (including reforms and revolutions) and proletarian revolution. The other school upholds the abstract hypothesis of the "movement to learn from the West" as the key, and puts forth the new concept of "Westernization-reform-revolution." According to the logic of the latter, agrarian wars such as the Taiping Rebellion, the Yihetuan Movement and so on should be excluded from the main trend of modern Chinese history and be replaced with the Westernization movement which was promoted by the feudal rulers. Comrade Hu Sheng stuck to his clear-cut stand in opposing such logic. In the preamble of "From the Opium War to the May Fourth Movement," he solemnly declared, "The author of this book does not think that there is any reason to depict the progressive historical trend in this period in the light of the trend of 'Westernization movement--reform movement of 1898--revolution of 1911.'" I wholeheartedly agree with Comrade Hu Sheng on this point and realize that his opinion conforms with Mao Zedong Thought and the viewpoint of class struggle.

It is necessary to make a class analysis of the hypothesis of the "movement to learn from the West." In the course of modern Chinese history, the peasant class, the bourgeois reformers and the bourgeois revolutionaries all learned from the West. As pointed out by Comrade Mao Zedong, "Since the defeat of the Opium War of 1840, progressive Chinese underwent innumerable hardships in seeking the truth from Western countries. Hong Xiuquan, Kang Youwei, Yan Fu and Sun Yat-sen were the representatives of those personages who sought the truth in the West's experiences before the founding of the CCP." ("Selected Works of Mao Zedong," vol 4, p 1406) The four historical personages mentioned here were precisely the representatives of the Chinese peasant class and the national bourgeoisie (including reformers and revolutionaries) during the period of the democratic revolution of the old type. Leading the progressive trend in history, they "learned from the West" in order to save China. Why did not Comrade Mao Zedong classify the representatives of the feudal nobility, warlords and bureaucrats such as Yixin, Li Hongzhang, Zhang Zhidong and so on, who promoted "Westernization," in the same group? The reason is that these people did not follow the progressive trend of history but went against it.

The focus of the problem is that we must use the viewpoint of class struggle to assess the Westernization group and the Westernization movement. We should not compare the present to the past and thus "prettify" the Westernization group and the Westernization movement, under the pretext that our country is now importing technologies and equipment from foreign countries to promote the "four modernizations." The Westernization movement occurred after the Second Opium War ended. To assist the Qing government in "exterminating the Taiping and Nian rebels,"the foreign imperialist invaders tried by every means to arm the Qing army with "foreign rifles" and "foreign cannons." The Hunan army and the Anhui army fighting against the Taiping army in Jiangsu and Zhejiang used weapons supplied by Britain and France; the "Eight Banners Army" guarding the Beijing and Tianjin region used weapons given by Russia. The people in authority in the feudal ruling class then began to split into two groups: the diehard group persisted in "closing the country to international intercourse," while the Westernization group called for "self-strengthening by learning foreign ways." The latter group met the needs of the invasion of foreign capitalists better than the former group. As pointed out by Comrade Hu Sheng in chapter 10 of the new book, "The Westernization group emerged under the historical conditions of the feudal landlord class turning into a pillar supporting the rule of imperialism in China." How should we respond to imperialist aggression? The Westernization group flaunted their tactics of "pitting the foreigners against each other." However, as pointed out by Comrade Hu Sheng in chapter 14 of the new book, "The so-called tactic of 'pitting the foreigners against each other' was by no means a tactic in which the country made use of the contradictions between the imperialist powers independently and on its own initiative, but rather a practice of trusting the country's survival to the contradictions between the imperialist powers." The tactic of "pitting the foreigners against each other" was in essence a kind of capitulationism. The Westernization group promoted first the "training of army" and then the "manufacture of armaments." Their efforts not only gave birth to a number of armies armed with new-type weapons, but also brought about the establishment of a small number of industrial branches which used foreign machines for production. However, we cannot claim that these developments were new in modern China although none of them had ever been seen in feudal China. We cannot label one of the two belligerent parties in a war as a rising force and the other as a decaying force solely on the basis of the state of their armaments. Can we say that the Westernization group, which was showing off its "foreign rifles" and "foreign cannons" and controlling the modern war industry was new, while denouncing as old the peasant armies, which were resisting invasion and fighting against feudalism with long spears and broadswords? There is no doubt that the Westernization group borrowed a few "new things" from foreign countries. However, just like the diehards, the Westernization group was in fact a decaying force in a certain society and was not qualified to represent the progressive trend in history, as they made use of all those "new things" to oppose the people's revolution.

During the period of the Revolution of 1911, Sun Yat-sen, the great revolutionary forerunner of China, named himself "Hong Xiuquan number two" and publicly declared that he was carrying on and developing the cause of the Taiping Rebellion; while his antagonist, Yuan Shikai publicly proclaimed himself the successor to Zeng Guofan and Li Hongzhang. Such a vivid contrast reveals very profoundly the existence of two historical trends of different natures in modern China; one of them was Red while the other was Black. Therefore, the elements of the so-called "Westernization movement-reform movement of 1898-Revolution of 1911" can never be linked.

The academic argument on the trend of modern Chinese history reflects a difference in methodology. Should we uphold class analysis or replace it with abstract analogy? This question deserves a thorough discussion.

Comrade Hu Sheng's new work is a splendid extract of the rich collection of historical materials in which he gives full play to the scientific style of "interpretation based on facts." For example, owing to the lack of material sources, there has long been a difference of opinion on the issue of whether Wei Changhui killed Yang Xiuqing under the "secret edict" sent by Hong Xiuquan. Some writers who did not want people to criticize Hong Xiuquan emphasized that the "secret edict" was an out-and-out fabrication. On the other hand, some comrades at the other extreme affirmed the veracity of the "secret edict" so as to bolster the claim that Hong Xiuquan was responsible. In the light of the historical materials which have been found so far, Comrade Hu Sheng honestly narrates the course of the "internal strife between Yang Xiuqing and Wei Changhui" without making any subjective judgment. In chapter 5 of the new book, he writes, "Some sources said that he was instructed by Hong Xiuquan to kill Yang Xiuqing. This is probably true. As for the issue of whether he did make use and in what way he made use of Hong Xiuquan's name in magnifying the murder of Yang Xiuqing into a large-scale massacre, there is no proof at all." What a serious attitude this is: In the eyes of Comrade Hu Sheng, we can only correctly sum up historical experiences and make them serve the construction of socialist modernization today as long as we strictly adhere to historical materials and respect facts. In the foreword of the sixth edition of "Imperialism and Chinese Politics," he wrote, "Only by completely liberating itself from the rule and oppression of imperialism and thoroughly overthrowing the Chinese reactionary classes which were the tools of imperialism could China genuinely achieve unity of the country, democracy for the people and prosperity of the country's economy. Imperialists would never give up their goal of destroying by every means the revolutionary cause of the Chinese people. The national independence of China could never be achieved under the leadership of the bourgeoisie but only under the leadership of the proletariat. In order to make all these matters clear to readers, the author of the book does not need to distort the truth of historical facts. On the contrary, the deeper he goes into the essential and regular aspect of historical facts, the more clearly he can expound on history." This is really a splendid exposition, and his new book "From the Opium War to the May Fourth Movement" is based on such a scientific spirit.

By his own practice, Comrade Hu Sheng shows us that historical materials can never take the place of historiography; historical materials must undergo class analysis. However, historiographic practices must be based on a rich collection of historical materials and must be adhered to so as to achieve an integration of historical materials and historical interpretation. Historical interpretations made on the basis of historical analogy and under the guidance of pragmatism are always groundless.

Comrade Hu Sheng's book is written in a vivid and compendious style. For example, he reveals the traitorous nature of the Westernization group's diplomatic policy of "pitting foreigners against each other," using the Chinese idiom "inviting wolves into the house." Under the the title "The Old Viceroys Under the New Cloak of Commanders-in-Chiefs," he profoundly exposes the true colors of some reactionary bureaucrats who, in order to preserve their own strength, used the revolution for their own ends during the stormy period of 1911. He also uses the saying "prohibiting others from participating in revolution" from "The True Story of An Q" by Lu Xun to sharply denounce the criminal deeds of those bureaucrats who pretended to be revolutionary and those warlords who put down the people's uprisings. The theories of Marxism-Leninism-Mao Zedong Thought are integrated with abundant historical materials and presented in a fluent and vivid writing style--this is the distinguishing feature of the new book by Comrade Hu Sheng.

Of course the book does have some defects. A more profound elaboration is necessary on certain theoretical problems; and there are some inaccuracies in the verification of certain historical facts. We suggest that the author revise all these points before the book is reprinted.

The number of printings of this book's first edition was too small and supply fell short of demand. However, books such as the "Detective Stories of Sherlock Holmes" and so on are flooding the market! We hope that our publishing units will make an adjustment.

LAY A GOOD FOUNDATION FOR THEORETICAL STUDY BY CADRES

Beijing RED FLAG in Chinese No 2, 16 Jan 82 p 30

[Article in "Comment and Study" column by Li Xu [7812 2485]]

[Text] In a cadre's theoretical study, it is necessary to emphasize the laying of a good foundation in the theory of Marxism.

Marxism comprises philosophy, political economics and scientific socialism. These are interrelated and embody each other. These three components make up the complete scientific system of Marxism and equip the proletariat and the revolutionary masses with an ideological weapon and a guide for action in the course of understanding the world situation, transforming the world and accomplishing the great goals of communism. Mao Zedong Thought is the application and development of Marxism in China. Its main content and lively spirit have already been expounded on in the resolution of the 6th Plenary Session of the 11th CCP Central Committee. Laying a good foundation means primarily mastering the fundamental knowledge of Marxism-Leninism-Mao Zedong Thought and understanding the fundamental principles. A further requirement is mastering the Marxist stand, views and approaches which run through the principles, enabling them to become our own guiding ideology and the criteria for judging our words and deeds. The fundamental task of our cadres at all levels is to popularize Marxism-Leninism-Mao Zedong Thought among the masses, organize and arm the masses with Marxism-Leninism-Mao Zedong Thought, and lead the masses in implementing the party's line, principles and policies and in realizing the targets of struggle put forth by the party. Therefore, whether a good theoretical foundation has been laid is of primary significance for whether a cadre can do a good job in his practical work and fulfill all his obligations.

Some people might think that this is a "platitude" and may even object to it. However, reality has proved once again that without a theoretical foundation, or without a firm one, people will waver, be led astray or even make mistakes. For instance, some people treat emancipating the mind and upholding the four basic principles as two contradictory things. To them, emancipating the mind means discarding the "four uphold's" and promoting bourgeois liberalization. On the other hand, some think that advocating the "four uphold's" means advocating a rigid way of thinking and negating the need to emancipate the mind. Some people tend to neglect centralism when they stress democracy; some neglect discipline when they stress freedom; some neglect ideological and political work when they stress material interests, or vice versa. In summing up historical experiences, people either affirm or negate everything. As far as the question of ideology is concerned, it seems that opposing all "left" things and not doing things in simplified and rude ways means being weak and lax and abandoning leadership, and so on. All these are, in fact, closely related with a shaky theoretical foundation. As some comrades say: "When people cannot tell what is right or wrong in theory, they are bound to waver, politically, and they will act blindly." Only by working hard to lay a good foundation and actually improve one's Marxist theoretical level can we overcome such wavering, one-sidedness and blindness and avoid making "left" or right mistakes.

Economic construction is now the focus of all our work. Whether there is a Marxist economic theoretical foundation is closely related to whether we can do a good job in economic work. In the past, we did not attach importance to research on the Marxist theory of reproduction or research on the laws governing a socialist economy. As a result, we could not avoid making those mistakes which could have been avoided. Now, there is still a number of cadres playing leading roles in economic construction who lack the basic knowledge of economic theory. It is undeniable that this is a major factor accounting for the backward situation, low productivity and poor economic results in certain units.

In order to lay a good foundation, it is essential to conscientiously study some basic works on Marxism-Leninism-Mao Zedong Thought, to uphold the principle of integrating theory with practice, and to integrate the study of theory and summing up of experiences with the transformation of our world outlook. Many of our comrades adhere to all these things in their actual practice. However, owing to the long-term sabotage of Lin Biao and the "gang of four," the sinister trend of paying no attention to theoretical study or to transforming their world outlook still exists among some comrades. It is for this reason that their words and deeds are always different or even deviate from the Marxist stand, views and approaches. Such a situation does not accord with the obligation of each cadre or the demands of socialist construction, and we must strive to overcome it.

AN IMPORTANT DOCUMENT GUIDING THE RESTRUCTURING OF THE ECONOMIC SYSTEM--STUDYING COMRADE CHEN YUN'S 'NEW PROBLEMS AFTER THE BASIC COMPLETION OF SOCIALIST TRANSFORMATION'

Beijing RED FLAG in Chinese No 2, 16 Jan 82 pp 31-34

[Article by You Lin [2589 2651]]

[Text] Since the 3d Plenary Session of the 11th CCP Central Committee, with economic readjustment as the core, we have undertaken local and experimental reforms on the system of economic management, and have made remarkable achievements. Now, our task in this regard, just as Comrade Zhao Ziyang pointed out in his government work report, lies in summing up the reform experiences of the previous period, undertaking thorough and careful investigations and studies, and conducting repeated scientific discussions and demonstrations in order to formulate in the shortest time possible an overall plan for reforming the economic management system and to gradually implement such a plan. Under such circumstances, it is especially heartwarming when we read once again Comrade Chen Yun's talk "New Problems After the Basic Completion of Socialist Transformation" at the Eighth National Congress of the Communist Party of China.

Since this talk of Comrade Chen Yun's was given 20-odd years ago, the actual situation has undergone great changes. However, the problems pointed out in his talk still exist, the measures conceived are still applicable, the basic perceptions regarding economic management are still of realistic significance. For these reasons, this talk should be regarded as an important document for guilding the restructuring of our economic management system and be very well studied.

In his talk, Comrade Chen Yun affirmed the great achievements of the socialist transformation, analyzed the problems that had emerged, elaborated the measures that should be taken, and in particular he presented the basic perception regarding the would-be conditions of the socialist economy of our country at the present stage. He said: "The conditions of our socialist economy will be as follows: in industrial and commercial management, the state and collective operations will comprise the main part, but with a certain amount of individual operations. Such individual operations are a supplement to the state and collective operations. Regarding production planning, the majority of the industrial and agricultural products of the whole country will be produced according to plans. In the meantime, however, a part of the products will be produced freely according to the variations of the market and within the scope permitted by the state plans. Planned production will be the main part of industrial and agricultural production, while the free production dictated by market variations and permitted by the state will be a supplement to the planned production. For this reason, the market of our country will never be the free market of capitalism, but a unified market of socialism. In the unified market of socialism, the state market comprises the main part, supplemented by a free market of certain scope under the guidance of the state. Being under the guidance of the state and a supplement to the state market, such a free market is a component of the socialist unified market." In the following, I would like to present my understanding of three aspects of the above passage of high generality with reference to Comrade Chen Yun's whole article as well as other articles.

Here, first of all, Comrade Chen Yun very clearly points out that at the present stage in our country the basic form of social economy comprises the socialist state economy and the collective economy with a certain amount of individual economic entities participating in labor as a necessary supplement to the socialist public ownership system. In a socialist country like ours, the state economy must predominate. Otherwise, economic life will be thrown into confusion and the overall interests of the state will not be ensured. However, it is impossible and unnecessary for the state to take charge of all enterprises regardless of their size, whether large, medium, or small, and to take charge of all their products regardless of their importance, whether primary products or secondary products. If the state takes charge of all such things while barely having the strength to do so, very unfavorable consequences will follow, as shown by facts of the past. The conditions of the relations of production depend upon the conditions of the productive forces. The large enterprises represent socialized large production. As determined by their very nature, they need to be possessed and controlled by the whole society and should be, or rather must be, operated by the state, the representative of the society. As to the small enterprises and a part of the medium-sized enterprises which basically employ manual labor and have a low level of mechanization, they are suitable for collective operation and some are only suitable for individual operation. However, we did not make such distinctions in the past. In the latter stage of the three great transformations mistakes appeared in demands being too urgent, crude and careless work, excessive speed of change, oversimplification and unification of forms, and so on. The above generalization made by Comrade Chen Yun was directed at such situations. Then, we persisted in "promotions" and "transitions" and hastily "promoted" the handicraft cooperatives to state factories and the cooperative stores to state stores. Even the newly established collective ownership enterprises were also "promoted" without a moment's thought. This "promoted" the genuine collective ownership enterprises owned and run by the broad masses of the people to enterprises belonging to the neighborhoods, districts, and municipalities, or in other words, to enterprises of "collective" ownership possessed and controlled by various levels of local governments. With such a situation, the state economy became almost the sole economic form in the cities. Consequently, this was very unfavorable to mobilizing the enthusiasm of all concerned, causing the decrease in varieties of products and the down-grading of quality and causing the diverse and ever-changing demands of the consumers to fail to be better satisfied.

As indicated by the conclusion of historical experience and the analysis of the actual situation of our country, in the cities it is not only necessary to work hard to develop the collective ownership economy of the laboring masses and the individual economy of the working people in a proper way, but also to carry out the necessary reform of state enterprises. The small enterprises as well as part of the medium-sized enterprises that produce general products should be allowed to operate on the basis of responsibility for their own profits and losses. The important departments such as banking, railway transportation, civil aviation, posts and telecommunication, and so on, should be operated by the state. The same is true of the large enterprises as well as a part of the medium-sized enterprises in such fields as the iron and steel industry, nonferrous metal industry, the fuel industry, electricity generation, machine building industry, chemical engineering, construction materials, textiles, and light industry, as well as other industries. Only by commanding these departments and industries can the state control the economic lifeline and play its leading role over the diversified economic forms. The owner of this category of enterprises should be the entire working people, and the workers of these enterprises are only a part of the entire working people. Since the managers of these enterprises run these organizations in the capacity of representatives of the state, the enterprises must produce and operate in conformity with the plans of the state, and profits must be handed over to the state as stipulated. Of course, in order to encourage the enthusiasm of the enterprises the state should also give the enterprises certain authority and profits. However, they cannot produce and operate independently, nor be responsible for their own profits and losses, as are the small enterprises and a part of the medium-sized enterprises mentioned above.

Next, Comrade Chen Yun pointed out that planned production should constitute the main part of industrial and agricultural production and be supplemented at the same time by free production as dictated by variations of the market and permitted by the state plans. It is upon the foundation of public ownership that we must bring about our planned economy and give play at the same time to the supplementary function of regulation by market mechanism. The planned economy, the national economy run consciously in accordance with present plans, is closely related to the system of public ownership. It comes into being with the system of public ownership as its foundation and shows an important side of the economic essence of socialism. It is undeniable that the socialist economy must be developed in a planned way. However, the scope and extent of planning depends upon the degree of public ownership. With the present level of productive force in our country, we are far from the completion of the socialization of the entire means of production, as a commodity production still exists, making it impossible to include the entire social production in a single unified plan and to carry on production and operation entirely according to plans without regulation by the market mechanism. The following procedure is more in line with the actual situation: first, the important economic departments, the large enterprises and a part of the medium-sized enterprises should be owned by the state. It is these enterprises which produce and operate according to the unified plan of the state. As these departments and enterprises predominate in the national economy with their production and operation carried on according to plans and coupled with the unified purchasing and assigned purchasing of farm produce which in practice constitute production by plans, planned production is ensured as the main part of our industrial and agricultural production. Second, the other category of enterprises (the collective ownership enterprises and state enterprises with responsibility for their own profits and losses) should produce and operate freely according to the fluctuations of the market and within the scope permitted by the plans. Should these enterprises be guided by the state plans? Very much so. In addition to such measures as taxation, credit, pricing, and so on, reference targets can also be passed down. All these measures are used to channel the production and operation of these enterprises as much as possible into the state plan and to subject the regulation by market mechanism to the guidance of state planning. The trouble with our planned management system is that everything is listed in the plans and everything is controlled by plans. As a result, the economy becomes very rigid. In brief, what should have been put under strict planning has not been so planned and controlled, whereas what should not have been included in the plan was. Comrade Chen Yun has always been opposed to such practices. In his article, he pointed out that products such as consumer goods for everyday use, handicraft products, small local products and so on, with only very few exceptions, should not be included in state plans. The requirements of the state plans regarding the output value of these products, the reduction of costs of the consumer goods for everyday use, and the enhancement of labor productivity, as well as other requirements, are only taken as reference targets. The producers are allowed to fix their own targets in relation to the market conditions to carry on their production without being committed to the reference targets. These measures, as viewed, are basically applicable.

Recently, when speaking of the relationship between planned economy and regulation by market mechanism in his report on government work, Comrade Zhao Ziyang quoted the following words of Comrade Chen Yun's in his article under discussion: "Planned production will be the main part of industrial and agricultural production, while the free production dictated by market fluctuations and permitted by the state plans will be a supplement to planned production." Comrade Zhao Ziyang also pointed out: "This idea of Comrade Chen Yun's is still of realistic and guiding significance to our present reform." Comrade Zhao Ziyang also said: "We envisage that different management methods should be applied to different groups of enterprises in terms of the different positions they occupy in the national economy, in their ownership system, the importance and categories of their products, and the varieties of their specifications. Generally speaking, there are four categories. To the first category belong those enterprises which produce according to the directives of the state plan. These are the backbone enterprises which command the economic lifeline of the country and produce the main products for the national economy and the people's livelihood, and their output value accounts for the majority of the total output value of industry and agriculture despite the fact that the varieties of their products are not numerous. Under the second category are the products which are produced according to the fluctuations of the market and within the scope permitted by the state plan. These are the small commodities of many different varieties, scattered among and produced by numerous small enterprises and individual workers. It is impossible and inconvenient to subject them to unified planning and management. They only account for a small part of the total output value of industry and agriculture. Between these two major categories, there are two more categories of enterprises and products. One category produces most of its products according to the state plan and leaves the minority of its products to small enterprises which have a free hand in organizing their production. This category is basically similar to the first major category, though not without dissimilarities. Another category leaves most of its products to enterprises which organize their production according to the fluctuations of the market, and the minority of its products to the planned production of the state. This category is basically similar to the second major category, also with certain dissimilarities. A management like this differs not only from the one we had, which was far too rigid, but also from the market economy of the capitalist countries. It combines the centralized and unified leadership of the state and the enthusiasm of the enterprises, and ensures the result of control with flexibility, flexibility free of disorder, greater economic benefits, and organization and development of production in accordance with the needs of society." This is a very important step with crucial significance to the reform of the management system.

Lastly, Comrade Chen Yun also pointed out that the state market must comprise the main part of the socialist unified market, and be supplemented by the free market under the guidance of the state in stipulated terms. The main part of our industrial and agricultural production is planned production. Similarly, the main part of our commodity circulation must also be planned circulation. The important departments and the backbone enterprises must be run by the state. The backbone enterprises of commerce and large stores also must be run by the state. The state market is operated according to plans. In fact, many products such as grain, cloth, and so on, are distributed through the market according to plans. However, the state market can only be the main part, but never the whole. This is to say, aside from the state market, there must also be a free market. Without such a market, the production and development of industry and agriculture will be unfavorably affected and the people will be inconvenienced.

However, very frequently we failed to give such all-round considerations to our problems in the past, always thinking that the more unitary our ownership system the better, and the less the circulation channels the better. As a result, both the unitary aspect of our ownership system and the paucity of circulation channels have been achieved only to be accompanied by the monotony of the market and the economic life of the people. Actually, such troubles were burgeoning when the three great transformations were basically completed. The measures that were adopted to restrict capitalist industry and commerce and proved to be unnecessary after the completion of the three great transformations, as mentioned by Comrade Chen Yun in his article, all had a bearing on this problem. All those measures needed transformation, and they did undergo alteration at the suggestion of Comrade Chen Yun. However, under the subsequent influence of the "leftist" guiding principle, no problem was really solved and instead problems piled up to give rise gradually to the situation in which planned production and distribution ruled with regulation by market mechanism reduced to nil and with the commercial sector accepting whatever the industrial sector produced, not only in regard to the kind of products but also their quantity. During the readjustment period from 1961 to 1963, things were slackened to a certain extent, the rural fairs were revived, the commodity circulation under the unified leadership of state commerce and with the coexistence of state commerce, cooperative commerce, and rural fair trade was approved, and some municipalities allowed free purchasing of handicraft articles. However, the transformation did not persist. As the "Great Cultural Revolution" came along, even worse rigidity ruled.

While pointing out the existing problems, Comrade Chen Yun presented his measures to overcome them. One measure was to replace the processing orders placed by the commercial sector on the factories by letting the factories purchase the materials and sell the products themselves. Another measure was to replace the monopolistic unified purchase of a part of the unimportant agricultural and sideline products such as small local products by the supply and marketing cooperatives with free purchasing and free selling by the state stores, cooperative stores, cooperative teams, and the supply and marketing cooperatives. If a shortage of supply should occur due to competitive purchasing, the supply of the goods should be allocated under the guidance of the local government according to the order of urgency in regard to the needs of the various units. Still another measure was to implement price policies that stimulated production, which included pricing by quality, free purchasing, free fluctuation of prices of small local products which were allowed to be peddled freely, and so on. We should carefully study the measures presented by Comrade Chen Yun to provide solutions for the problems that existed, and then substantiate and develop them in the light of the new situation in order to ensure the practical and reliable implementation of the principle that the state market should comprise the main part and be supplemented by the free market.

To sum up, in his article, Comrade Chen Yun has laid the fundamental basis for the reform of our economic system in respect of ownership structure, production management and circulation management. We should put his concepts into a concrete form in the light of the specific situation at present, and plan our reforms in the several aspects of planning and the management systems of finance, taxation, prices, banking, commerce and wages.

QUESTION: IN OUR PRESENT EFFORTS TO IMPLEMENT THE ECONOMIC RESPONSIBILITY SYSTEM, WE EMPHASIZE INTEGRATING RESPONSIBILITY, POWER AND INTERESTS; HOW DOES THIS RELATE TO INTEGRATING THE THREE INTERESTS OF THE STATE, THE COLLECTIVE AND THE INDIVIDUAL OF WHICH WE USUALLY SPEAK?

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[Article in "Questions and Answers" column by Li Guangyuan [2621 0342 6678]]

[Text] Answer: The integration of the interests of the state, the collective and the individual worker is the basic principle in accordance with which the relationships of socialist economic interests are handled. The integration of responsibility, power and interests, as embodied in the socialist economic responsibility system, is a means of effecting the integration and simultaneous growth of the interests of the state, the collective and the individual worker. The integration of responsibility, power and interest must be subordinate to the requirements of the principle of the integration of the interests of the state, the collective and the individual worker. Why do we say this?

Socialist public ownership is a system whereby individual workers jointly exercise ownership. Workers are masters of the state and the collective. Therefore, the interests of the state are tantamount to the common interests of all individual workers, and also tantamount to the common interests of all workers' collectives. The interests of a collective are tantamount to the common interests of a specified group of workers. The ultimate aim of all activities of the state and the collectives is to bring about the constant growth of the interests of all individual workers. This objective relationship of interests gives rise to the principle of the integration of the interests of the state, the collective and the individual. The main substance of this principle includes the following: First, due consideration must be given to the interests of the three parties, because although the interests of the three parties coincide there are also conflicts of interests between them. Therefore, we can and we should give due consideration to their interests. Second, the individual's interests must be subordinated to those of the state and the collective. The interests of the collective must be subordinated to those of the state. This is because the common interests of a community are above and more important than the interests of any individual or any part of the whole community. The former is the basis on which the latter can be safeguarded. For example, the strengthening of the state and the development of the national economy constitute the basis on which improvement of the individual's livelihood can be ensured. Third, enhancement of the interests of the collective and the state serves the ultimate purpose of promoting and safeguarding the enhancement of the interests of all individual workers. What is "taken from the people" must ultimately be given to the people." .

Generally speaking, the integration of responsibility, power and interests is not a principle peculiar to socialist economic relationship. It is a principle universally applicable to all categories of relationships of commodity exchange, because any commodity exchange relationship is tantamount to a contract relationship. Whether contracts are written or not, this relationship always determines some sort of integration of the responsibility, power and interests of the two parties under consideration. When one party assumes responsibility for supplying commodities to the other party, it will correspondingly acquire the power to obtain a supply of commodities from the other party and will hence gain certain benefits. Various essentially different commodity exchange relationships give rise to essentially different ways of integration of responsibility, power and interests.

The integration of responsibility, power and interests in the socialist economy is radically and essentially different from the integration of responsibility, power and interests of commodity exchange relationships under private ownership. The difference is that in the exchange of commodities under private ownership, such integration is a means of safeguarding the conflicting private interests of various owners of private property; whereas in the socialist economy, such integration is a means of achieving the integration of the interests of the state, the collective and the individual workers as well as a means of safeguarding the simultaneous enhancement of these three parties' benefits. In the exchange of commodities under private ownership, the two opposing parties are owners of private property with conflicting interests. Each of them only cares about its own private gain, and supplying commodities to the other party is only a means of achieving private gain. Therefore, each party strives to give as little as possible and take as much as possible. Transactions are concluded after bargaining between the two parties because they are forced to do so by the spontaneous competition in the market. In socialist economic relations, the parties between whom conflicts exist are three parties whose interests coincide, namely, the individual worker, the worker's own collective and his own state. Each party cares about the integration of the three parties' interests, aside from its own interests. In the socialist economy, responsibility, power and interests are integrated. They are also divided between various parties in the light of the specific circumstances of the development of the socialist cause and in the light of various specific conditions of the state, the collective and the individual. Such integration and division are aimed at the simultaneous enhancement of the interests of the three parties, and are decided and carried out in a planned way. If so, then how does the integration of responsibility, power and interests serve the integration and enhancement of the interests of the state, the collective and the individual?

First, in practicing the economic responsibility system, we must specifically determine the responsibility, power and interests to be assigned to various parties and also determine the mutually restrictive relationship between responsibility, power and interests. Thus, we can have specific criteria and methods for integrating the interests of the state, the collective and the individual. With these criteria and methods, everyone will know how he can make contributions and how greater contributions will benefit both the whole community and himself. Thus, we will be able to do away with egalitarianism and "eating out of one big pot," which is characterized by confusion about what responsibilities each should shoulder, ignorance of what is right or wrong, unclear rewards and punishments, and equal pay to all regardless of the amount of work done. When these things are done away with, the enthusiasm of all parties can be mobilized so that they will all do their best to make greater contributions to the simultaneous enhancement of the interests of the three parties.

Second, when we determine the responsibility, power and interests to be assigned to various parties in practicing the economic responsibility system, we must proceed from the principle of integrating the interests of the three parties and avoiding one-sidedness. For example, why must we specify comprehensive targets for assessing the work of industrial enterprises that practice the economic responsibility system? In addition to targets for profits, why must we also require the enterprises to produce marketable products, raise product quality, reduce the consumption of resources and promote industrial safety? In practicing the reward system, why must average advanced quotas be taken as the basis? The reason is that these are required by the basic principle of the integration of the interests of the three parties. In instituting the system of responsibility in rural production, what forms should be adopted? What should be centralized? What should be decentralized? Should the basic figures in contracts be high or low? These should all be determined according to what measures will be conducive to the integration and enhancement of the interests of the three parties in various circumstances.

Lastly, we must more vigorously educate the cadres and the masses in the ideologies of patriotism and collectivism. We must both overcome the tendency of neglecting the individual interests of the masses and oppose individualism and departmental selfishness. Thus everyone can really realize the coincidence of the interests of the three parties and consider themselves to be masters of society. The majority of peasants and rural cadres not only hope for increased individual income, but also want to make the greatest possible contributions to the state and the collective. The majority of workers and cadres of enterprises wish to share the burden of the state and enhance the state's gains, and they consider the retention of profits by the enterprises and the distribution of bonuses to workers to be of less importance. This is the main trend. It is precisely this socialist ideology and collectivist spirit of the masses and the cadres that enables the practicing of the responsibility system to bring about the fine situation of continuous development in production and simultaneous enhancement of the interests of the state, the collective and the individual. However, we must also note that a minority of people still do not consider themselves to be masters. In viewing socialist economic relations, they are still accustomed to those concepts concerning responsibility, power and gains that are characteristic of commodity exchange relationship under private ownership. They only want to gain greater benefits for themselves. They disregard the overall situation of the socialist cause and even try by all means to exploit, to their own advantage, "loopholes" in the policies and systems formulated by the state. They practice fraud and violate public interests for their own private gain. In view of this, we must persist in educating people in the integration of the interests of the state, the collective and the individual. Thus, we can ensure that the responsibility system involving the integration of responsibility, power and interests develops healthily along a socialist orientation.

THEORETICAL STUDY BY CADRES IN THE EARLY 1950'S

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[Article by Hu Qilin [5170 0120 2651]]

[Text] Under the leadership of the party, an upsurge in theoretical study by the cadres and masses emerged in the early 1950's. The upsurge in theoretical study at that time was an inevitable product of the development of the revolutionary situation; it was an important ideological preparation for the cadres and masses in fulfilling the revolutionary and construction tasks in the new period.

The Chinese revolution was won under the guidance of Marxism-Leninism-Mao Zedong Thought. Therefore, the people naturally had an urgent desire to study Marxism-Leninism-Mao Zedong Thought when they hailed the victory of the revolution. Although many comrades who had worked in the liberated areas had valuable experience in the revolutionary struggle, they were unable to carry out systematic theoretical study under the conditions of hard struggle. So they felt the need to study again when confronted with the new situation and tasks which were unfamiliar to them. In the light of specific conditions, our party did a great deal of ideological and organizational work concerning theoretical study, so that the study campaign at that time could develop healthily throughout the country and achieve remarkable results.

The theoretical study in the early 1950's began with the study of the history of the development of society--the study of historical materialism, and it lasted for several years. In the study, by closely referring to the development of the situation, they carried out the principle of combining theory with practice; energetically mastered some basic viewpoints of historical materialism such as the attitude to labor, the attitude to the masses, the class viewpoint and the Marxist theory of state; and conscientiously remolded their ideology. They initially or further understood some basic principles of Marxism. All this laid a good foundation for a profound theoretical study.

On the above basis, the study of Marxist political economics was launched in various places throughout the country, and in respect of socioeconomic relations, the cadres and masses further understood the law governing social development, especially the inevitability of socialism replacing capitalism. This had great significance for understanding the character of Chinese society, solving the problems that emerged in the construction of the new democratic economy, conscientiously implementing various economic policies of the party and forming a revolutionary outlook on life. The study of political economics was a step forward in the theoretical requirements of the cadres and masses, as well as the need to solve our practical problems. Therefore, it further stimulated the people's initiative to study. During the study of the above-mentioned subject, everyone, in accordance with their own theoretical level and by means of various organizational forms, studied Lenin's "On Imperialism," Stalin's "Problems of the Socialist Economy in the Soviet Union" and "Textbook of Political Economics" and some important documents concerning economic problems issued by the party Central Committee. In the study and discussions, they energetically combined theory with practice and achieved good results.

In 1952, the party Central Committee put forward the general line for the transitional period. In 1953, China began its first 5-year plan and entered the period of large-scale economic construction. What was the transitional period? How should we carry out industrialization and the socialist transformation of the ownership of the means of production? How should we unfold our large-scale economic construction in a planned way? The people were eager to have a correct theoretical explanation of these questions so they could suit their own work to the requirements of the new situation. Therefore, our party timely organized the study of the 9th to 12th chapters of "The History of the Communist Party of the Soviet Union (Bolshevik)" and Lenin's and Stalin's works concerning socialist economic construction, while extensively organizing the study of the general line for the transitional period. Many people who had such an experience still remember how large numbers of people energetically took part in the study.

The above-mentioned theoretical study was carried out in combination with the study of Comrade Mao Zedong's works. After the victory of the revolution, hundreds of millions of people, with energetic propagation by the party, studied Comrade Mao Zedong's works with great eagerness. Before the publication of the "Selected Works of Mao Zedong," people in various places mainly studied such basic works of Comrade Mao Zedong's as "On Practice," "On Contradictions" and "On the People's Democratic Dictatorship." From 1951 to 1953, volumes 1, 2 and 3 of "Selected Works of Mao Zedong" were published successively, and a systematic study of each volume was energetically organized. In this way Mao Zedong Thought was popularized on an unprecedented scale.

As far as organizational and leadership work was concerned, the theoretical study at that time was noted for its regularity. In the early period of the founding of the People's Republic of China, study committees and study groups (generally divided into two grades) were set up in various institutions and organizational bodies. Sufficient time was devoted to theoretical study because the cadres earnestly wanted to master basic theoretical knowledge. After 1951, the theoretical study of employed cadres began to gradually embark on the road of regularization. Part-time political schools were set up one after another in various places throughout the country; centralized unified study plans were carried out; and the regular system of roll call, asking for leave, making up missed lessons, examinations, and rewards and punishment was implemented. A strict method of grouping more employed cadres into classes was beginning to be implemented according to their educational levels and basic theoretical knowledge, instead of according to their rank or position. The cadres who took part in the study were divided into Group A, Group B and Group C (which were changed to advanced group, intermediate group and elementary group after the latter half of 1952). They had different contents and requirements for their study and implemented a system of giving regular tests and examinations and of making promotions. Various institutions, organizational bodies and units at the battalion level and above in the army were gradually provided with theoretical instructors, theoretical teachers and study advisers. Lecture groups were also formed in some regions. After the party Central Committee's instructions concerning the cadres' theoretical education from 1953 to 1954 were transmitted throughout the country, attention was further focused on the training, provision and grouping of theoretical teachers. Large numbers of Marxist-Leninist evening schools and training courses were set up to train theoretical teachers. A network of theoretical study by employed cadres was formed in some regions. In addition, high-ranking cadres in many regions who were comparatively highly self-cultivated in theory were required to independently study in a systematic way the works of Marx, Engels, Lenin, Stalin and Comrade Mao Zedong, especially works that were closely related to the work in their own departments. They were to write study theses and reports, regularly help common cadres with their study and explain to them the questions they might come across during their study. Because the study system was regularized, the cadres' theoretical study was further carried out under unified leadership, in a planned way and with checkups. This was an important reason why the study campaign at that time could last so long and achieve such good results.

Another characteristic was that party organizations at all levels paid extensive attention to giving guidance with specific aims. Party organizations at all levels placed the cadres' theoretical education in an important position in the party's work. The Propaganda Department of the party Central Committee, the branch bureaus of the party Central Committee and party committees in various places often made a study of the situation of theoretical study, worked out study plans and issued, with specific aims, instructions for intensifying and improving the cadres' study. They also compiled teaching materials in a timely manner. The outline for the study and propaganda of the party's general line in the transitional period compiled by the Propaganda Department of the party Central Committee played an important role in pushing forward the political theory study at that time. Study rooms, research rooms and special institutions in charge of employed cadres' theoretical education were formed in many provinces.

Here I would like to mention the guidance work of the magazine XUEXI [STUDY] in the study campaign at that time. As a periodical which gave instructions concerning cadres' theoretical study and which was under the direct leadership of the Propaganda Department of the party Central Committee, this magazine was extensively welcomed by the cadres and masses for its guidance on specific aims. Its main role was as follows:

1. In the light of the study content and the people's actual ideological condition, it repeatedly explained the necessity for all cadres to study Marxism-Leninism-Mao Zedong Thought while familiarizing themselves with their own professional work. It used various forms (such as commentaries and study comments) to energetically propagate various important instructions issued by the party with regard to theoretical study and to guide the localities in implementing the instructions. It actively propagated the important significance of various study contents. It particularly emphasized that the study had to focus on the actual problems of the revolution and construction in China, and took Marxism-Leninism-Mao Zedong Thought as the guiding principle. It issued large numbers of articles with regard to the major problems in various courses and with regard to the theoretical problems the cadres were concerned about in order to make it convenient for everyone to study, refer to and discuss them.

2. It provided teaching and reference materials. For instance, for the study of the history of social development, the magazine XUEXI gave wide coverage to the "forum on the basic knowledge of social sciences." For the study of chapters 9 through 12 of the "History of the Communist Party of the Soviet Union (Bolshevik)," it not only provided the study reference outline for the intermediate group, but also provided systematic reference materials for reading. In order to help the elementary group, staff and workers, and young students to study basic knowledge concerning social sciences and economic construction, the magazine publishing house, from 1951 onward, edited and published the elementary edition of XUEXI, the "Book of Political Knowledge" and "Book of Knowledge for Economic Construction." It also provided the study outline, answers to questions, explanations of terms and phrases and the relevant materials for each chapter in each book.

3. It energetically did a good job in answering questions. XUEXI attached great importance to this work. The magazine regarded this not only as its basic responsibility for helping the cadres with their theoretical study, but also as an important method for understanding the situation and improving its editorial work. Letters kept coming in from readers expressing their questions answered. This fully reflected their study and the need for study. XUEXI had a group specially responsible for answering the readers' questions sent to the magazine. It seriously handled all questions put forward by the readers and answered them after careful consideration. Some answers were given individually, some were carried in the "Questions and Answers" column of the magazine. This was well received by the readers.

There were various shortcomings in the cadres' theoretical study at that time, but on the whole the success was remarkable. The theoretical study enabled the cadres and masses to receive a profound education on Marxism-Leninism-Mao Zedong Thought, and trained a group of cadres who had a firm theoretical basis, who had formed a proletarian world outlook and who had lofty ideals. It promoted the realization of the unprecedented change China was experiencing at that time.

The study campaign showed that great changes are the best ways to make people learn new things and study new problems. So long as we are good at arousing and promoting the consciousness of the people in their theoretical study by educating them to have lofty ideals and realistic aims, we can stimulate the people's enthusiasm for theoretical study and create an atmosphere in which the people study hard for the revolution and construction.

The study campaign showed that the study of Marxism-Leninism-Mao Zedong Thought, organized according to the development of the situation and the cadres' different conditions, is well received and can achieve the best results, and therefore it is most vigorous. In addition, giving guidance with specific aims in study is an important link in doing a good job in study.

The study campaign showed that it is of extreme importance to have the attention and firm leadership of party organizations at all levels. Without strong ideological and organizational leadership, it is not conceivable that thousands of people could take part in the study campaign profoundly, persistently and effectively.

RELY ON THE COLLECTIVE ECONOMY TO BUILD MATERIAL AND SPIRITUAL CIVILIZATION IN THE RURAL AREAS--THE SUPERIORITY OF THE SOCIALIST SYSTEM SEEN FROM THE VAST CHANGES IN NANHAI COUNTY

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[Text] Nanhai County is located in the northern part of the Zhujiang delta, near Guangzhou municipality. It has a population of 800,000 people. A land of fish and rice, it has 800,000 mu of farmland, including mulberry tree plantations and fish ponds. Since liberation and particularly since cooperativization, people in Nanhai County have successfully built a material and spiritual civilization by means of the strength of their collective economy. Vast changes have taken place in industrial and agricultural production, in the people's standard of living, and in their spiritual appearance and social habits.

I

The vast changes in Nanhai County are, above all, manifested in the rapid development of industrial and agricultural production. In 1980, the gross value of the county's industrial output amounted to over 473 million yuan, an increase of 11 times over that of 1949; the gross value of its agricultural output amounted to over 415 million yuan, an increase of 36 times over that of 1949; grain production increased from 250 million jin in 1949 to 780 million jin and the per mu yield increased from 492 jin to 1,500 jin, an increase of over 25 times; and production of peanuts, sugarcane, silkworms, pigs and pond fish increased respectively by 8 times, 5.9 times, 13.6 times and 3.9 times. On average, the per capita industrial and agricultural output value was 1,105 yuan (not including the household sideline income of the commune members), or $624.

What is the principal reason for the rapid increase in the industrial and agricultural production of Nanhai County?

First, the county has relied on collective strength to continuously change production conditions, to develop large-scale capital construction in farmland water conservancy, to build up large tractors of high-yield farmland which is resistant to drought and waterlogging, and to carry out basic farm mechanization to ensure a continuous high and stable yield in agricultural production.

Before liberation, water conservancy conditions in this region were in a very bad shape. Whenever a flood occurred, the river embankments would collapse and large tracts of good farmland would be inundated. In the two relatively large floods in 1947 and 1949, river embankments collapsed in a score of places and in these years respectively, 250,000 mu and 60,000 mu of ricefields were inundated. The disaster-stricken peasants had nothing to eat but chaff and wild herbs. Some of them had to leave the county to escape the famine while countless numbers died of hunger.

After liberation, the party led the peasants to take the road of cooperativization and to carry out, in a planned manner and step by step, water conservancy construction work in the farmland. First, beginning in the 1950's, a large number of river embankments were built. In all, 35 river embankments with a total length of over 400 kms were completed. This protected the largest part of the farmland from flood. In 1968, the biggest flood in history occurred in the region, but not a single river embankment collapsed. After the 1960's, an electically powered irrigation system covering the entire county was gradually completed. Nowadays, rains as heavy as 200 mm in a single day can be drained off within 3 days. In the 1970's, work was mainly concentrated on levelling land so that garden-style cultivation of the great proportion of land in the whole county could be achieved. At the same time, much progress has been made in farm mechanization. At present, the county owns nearly 4,000 tractors of various kinds and over 1,000 electric motors, in addition to a large assortment of processing machines for agricultural products and mechanical conveyances for water and land transport; 75 percent of the farmland has now been put under mechanized farming. Mechanization of the processing of farm products and of farm transport has basically been realized, as has the electrification of irrigation. The level of scientific farming has also been noticeably improved and, as a result, the labor productivity rate in agriculture has been greatly enhanced.

Obviously, if they did not rely on the powerful strength of the collective economy but relied solely on the small economy of the individual farm households, it would have been impossible within a short period of time to complete such a huge scheme of farmland water conservancy and the initial stage of agricultural mechanization.

Second, the county has brought into full play the superiority of the systems of unified management and rational division of labor under the collective economy, "firmly grasping the main structure (grain) and developing the two wings (industrial sideline occupations and the planting of rearing trades)," and continuously developing the scope and depth of production.

Nanhai County has a plentiful supply of labor power. Because of its proximity to large cities and towns, it possesses advantageous conditions for the development of industrial sideline production and the commodity economy. But it was only after the populace had been organized that this superiority was brought into full play. Following the cooperativization of agriculture, and particularly since the 3d Plenary Session of the 11th CCP Central Committee, people in the county have emancipated their minds, rationally readjusted the structure of their agricultural economy, and gradually implemented the guideline of "grasping the main structure, developing the two wings, and bringing into play the combined operations of agriculture, industry and commerce." That is to say, under the logical premise of ensuring a gradual increase in grain production, freely developing industrial sideline production and multiple operation forms. In addition to the large-scale production of agricultural sideline products, industries such as those producing chemical fertilizer, hardware, electronics articles, household electrical machines, textiles, garments, plastics, printed matter, leather goods, metallic products, machines and construction materials all started from scratch and were swiftly developed. Some of these industrial products have been marketed in other parts of the country and abroad. As a result, the whole rural economy has steadily been enlivened. The income of the communes and production brigades from the collective economy has swiftly increased while their income from industrial sideline occupations and from the planting and rearing trades, and the proportion these occupy in the collective economy gross income, have also greatly increased. In the year before last, the composition of the collective income of the county as a whole was as follows: grain, 27.9 percent; industrial sideline occupations, 39.1 percent; and the planting and rearing trades, 33 percent.

As a result of specialization and division of labor in industries run by the communes and production brigades and the growth of cultural and educational enterprises in the rural areas, a large number of peasants have become workers or personnel with specialized training. At the same time, the small cities and towns where the people's communes are located have become the political, economic and cultural centers of the rural areas. The disparity between worker and peasant and between city and countryside has gradually shrunk. Thus, the development of such social maladies as overpopulation, unemployment and a high crime rate caused by the influx of a large number of poor or bankrupt peasants into the large cities and towns, frequently seen in capitalist countries in the course of their industrialization, has been avoided. This is of deep and penetrating significance.

II

Following the rapid growth of the collective economy, the peasants have quickly become affluent. In 1980, the average per capita income of the rural commune members in Nanhai County was 341 yuan, the highest in Guangdong Province and equivalent to 4 times the national average. At present, in the countryside of Nanhai County there are three signs of plenty: plenty of savings deposits, plenty of new houses, and plenty of purchases of high-grade commodities. In the year before last, the gross amount of bank deposits of commune members in the whole county was 83.3 million yuan, averaging 128 yuan per peasant. The majority of new houses built in the countryside of Nanhai County consists of two-storied brick and tiled buildings with attached veranda. Many families of commune members have electric fans, radios, dining sets and sofas. Some have television sets, radio-recorders, steel and wooden furniture, and electric rice cookers. When talking about their present living standard, the affluent peasants are all smiles. They say that if the present policies of the party are continued for another 3 to 5 years, their standard of living will be even better.

These facts are incredible unless they are seen or heard personally. Before liberation, because of the heavy taxation levied by the reactionary government and the many natural disasters, the broad masses of peasants in Nanhai County lived under the tragic circumstances of not having enough to eat and hardly any clothing to wear. For example, what is now the Nansha production brigade of Xiaodong people's commune was so poverty-stricken that there was a common saying that "no girls want to marry into a Nansha family." But now, Nansha is greatly changed in appearance. In the year before last, the gross rice output of the whole brigade amounted to 2.25 million jin, averaging over 1 ton of grain per mu. Collective income amounted to over 5 million yuan, averaging 996 yuan per commune member. Twenty households had an income of over 10,000 yuan each. The collective accumulated funds of the brigade amounted to over 3.7 million yuan. Over recent years, this production brigade, which has some 500 households and a population of over 2,100, has built 535 new residences and bought over 1,000 wristwatches, 482 bicycles, 375 electric fans and over 70 television sets. Its members have deposits of 1.42 million yuan in the savings society. The former tragic era of "not marrying a daughter into a Nansha family" has gone and will never return.

Under the spiritual guidance of the 3d Plenary Session of the 11th CCP Central Committee, the Nanhai County party committee and the Nanhai County people's government, on the one hand, actively encouraged communes and brigades favored with better conditions to become affluent first, and, on the other hand, vigorously supported communes, brigades and teams in difficulties to quickly extricate themselves from their impoverished condition and proceed toward affluence. Over each of the last few years, the county has granted loans to impoverished teams or made investments amounting to 6 to 7 million yuan. The relevant departments accorded to these teams "seven priorities." These relate to: the supply of the means of production; arrangements for bank loans; providing facilities for mechanized farming; repairs of damaged farm machines; purchase of agricultural sideline products; absorption or employment of personnel in industrial sideline occupations; and supply of transport facilities. These measures were of immense help to the impoverished units. As of the end of the year before last, in the whole county there remained only four production brigades which had average per capita incomes of less than 150 yuan. These constituted only 1.6 percent of the total number of production brigades in the county.

III

Concurrently with the swift growth of the socialist collective economy and the noticeable improvement in the standard of living of the people, the spiritual state of the populace has also changed considerably. Proceeding arm in arm on the road to affluence, the people have gradually evolved common ideals and new moral concepts. A new type of relationship between human beings has taken shape. Following the call by the party Central Committee to help the peasants become rich as soon as possible, cadres at various levels shared the same thoughts and the same feelings of urgency as the peasants. They devised various ways and means to help the production teams enhance production. For this they were greatly welcomed by the commune members. As a result, the relations between the cadres and the masses became increasingly friendly. Between the commune members themselves, the spirit of unity, comradeship and mutual help was also greatly enhanced. Based on the continuous development of the collective economy, collective welfare work progressed steadily. Cooperative medical care was introduced into all communes and production brigades in the county. Many of the comparatively affluent communes and production brigades instituted a retirement scheme for aged commune members. Under the system, the pensions of retired members are equivalent to 50 to 70 percent of their average work points over the 3 years immediately prior to retirement. In the year before last, 83 retired members of the Nansha production brigade received, on average, a pension of 504 yuan per person. The maximum amount received was 859 yuan. In addition, there are no charged for infants attending nurseries, for children going to school (up to senior middle school) or for commune members seeking medical care. At the same time, firewood, tap water and movie shows are provided free of charge. Funerals for deceased commune members are subsidized. All these things caan be summarized as follows: nurseries for the infants, schools for the young, medical care for the sick, provision for the aged, and funeral services for the dead.

The socialist economy has brought enormous material benefits to the peasants of Nanhai County. In turn, the peasants have closely tied their destiny to the socialist enterprises and to collective production. They have only one objective, namely, how to make the collective economy grow and prosper so that all can become affluent in the shortest time possible. When the collective meets with difficulties, everybody will try by all ways and means to resolve the difficulties. For example, when a commune or production brigade plans to start industrial sideline production but is short of funds, the commune members enthusiastically raise the necessary funds. Some offer money from their own reserves that were put aside for marriage or house building, while others loan their surplus grain to the production team at a discount. The richer they become, the more concerned they are with the state and the greater are their contributions to the state. In 1980, the county supplied over 378 million jin of grain to the state. Of this amount, some 100 million jin was surplus grain which the peasants voluntarily sold to the state. An increasing amount of other agricultural sideline products has also been sold to the state.

The development of material culture has changed certain old habits in the countryside. The commune members have begun to care about hygiene, to have a liking for science, and to be concerned with domestic as well as foreign affairs. Many peasant families currently subscribe to one or two newspapers, while the communes, one after another, are setting up cultural centers. Various kinds of sparetime technical schools have sprung up like bamboo shoots after a spring rain. This is a new picture of the Nanhai countryside not seen over the last several thousands of years.

IV

Since the 3d Plenary Session of the 11th CCP Central Committee, Nanhai County has thoroughly implemented the guidelines and policies of the party Central Committee. In particular, it has grasped the following:

First, it has respected the decision-making or autonomous power of the production teams and has brought into play, and relied on, the commune members' spirit of being masters of their own future.

In the past, anything concerning the fields of production teams, such as what crops to plant, what crops not to plant, when to plant, and when to harvest, was determined from above and the decision was a vertical one. In this way, to be realistic and practical was well-nigh impossible and the masses were unable to display their spirit of being masters. After the third plenary session, the Nanhai County party committee, following the principle of being practical and realistic, improved their methods of leadership, respected the autonomous power of the production teams and allowed the peasants the power to determine their own production affairs. First, in regard to politics, they respected the wishes of the commune members, and instituted a democratic system of electing the various levels of leadership. Moreover, they made a bold decision--that of allowing the masses to choose "leaders" from among the county's organs at various levels. The masses were at liberty to recommend, from among the county's organs at various levels and from other units, capable persons suitable for leadership work on the production front and the county committee would then make the necessary follow-up arrangements. Acting on the recommendations of the masses, over the past 2 years, the county party committee has transferred 14 cadres from the various sections and bureaus of the county administration to fill gaps in leadership work at the basic level. In this way, a close relationship with the commune masses has been engendered, the cadres and masses are of one heart and purpose, and good results have been achieved in various kinds of production work.

Second, on the production front, all commune members gained decision-making power on matters ranging from simple production arrangements to scientific farming. In this, the Julong production team of Pingzhou people's commune offers an especially good example. This team is located near Guangzhou and used to be well-known for flower planting and the raising of ornamental fish. However, in the past, the hands of its members were firmly tied by "leftist" restrictions. They were not allowed to plant flowers or to raise fish. Each member was allowed, on average, a plot of land only 0.8 mu in size to grow grain. However, after the third plenary session, they were allowed to make the necessary production arrangements according to their own actual conditions, such as planting flowers, raising fish, producing bricks and tiles, or making rattanware. Thus, by opening wide the production avenues and engaging in multiple forms of operations, they became affluent in only 2 years. What has drawn public commendation is that their flower nursery, which occupies only 3 mu of land, was converted from a tract of wasteland into a "treasure bowl" in less than 2 years. It earns an income as high as 60,000 yuan a year. This shows us that only by earnestly respecting the autonomous rights of the production team can the wisdom and creativeness of the commune members be brought into full play. In regard to such problems as how to make good use of a piece of land, say, only one-tenth of a mu in size, or how to make good use of a pond, or how to bring into full play the various superior conditions or the special talents of an individual, they are perfectly capable of giving the matter careful thought and making the necessary and satisfactory arrangements. In this way production will certainly succeed.

Second, the county has adopted the production responsibility system in its various forms and has fully carried out the principle of distribution according to work.

In the past, under the influence of "leftist" thought, this socialist basic principle of distribution according to work was unreasonably criticized as being capitalist. For years, the practice of making only a rough calculation of work points and "eating out of one big pot" had seriously dampened the enthusiasm of the broad masses of commune members. Since the third plenary session, comrades in Nanhai County have overcome egalitarianism and carried out the principle of distribution according to work, grasping these steps as pivotal points in emancipating and developing the productive forces. Based on the actual condition of the solid strength of the collective economy in this county, the rapid growth rate in production and the high level of distribution as well as the wishes of the broad masses of commune members, these comrades have comprehensively implemented the system of assigning responsibility to specialists and linking remuneration to output for production personnel. They have also implemented the system of assigning responsibility for task completion in financial affairs to financial and accounting personnel and the responsibility system of cadres and administrative personnel taking personal responsibility for tasks. Since these various forms of the responsibility system are directly linked to the material interests of the individual, they have outstandingly activated the production enthusiasm of the cadres and the masses. The Xincun East brigade of Pingzhou people's commune had long been known for its poor performance in production. In the year before last, it adopted the system of assigning responsibility for production and linking remuneration to output and forthwith its appearance was changed. Its average grain yield per mu rose from 1,240 jin in 1979 to 1,670 jin, and the average per capita income of its members increased from 144 yuan to 310 yuan, an increase of more than 100 percent.

Third, the county has promoted industrial sideline production among its communes and brigades and brought into full play its own superior conditions in this respect. Nanhai County borders Guangzhou and Foshan. It is an extremely advantageous position to develop the commodity economy. Unfortunately, in the past, under the influence of "leftist" thought, its superiority in this regard was labelled as a "breeding soil for capitalism" and it was subjected to various criticisms and slanderous slogans such as the criticism of the so-called "three heavy's and three light's," and to calls urging that the "tail of private ownership" be cut off, that the "underground factories" be uprooted, that the "upstarts" be struggled against, and so on. During the 10 years of domestic turmoil, it actually happened that in a locality such as Nanhai, which is gifted with good natural conditions, some production teams could earn only several fen a day. This is hardly imaginable. It made people ask in disgust: "Could this be socialism?"

Fortunately, the mist of dismay in the people's hearts was wiped away by the third plenary session of the party. Since then, the people have begun to realize that the universal poverty was not caused by real socialism but rather by the fake socialism of the "gang of four." In order to quickly enrich the peasants, the county party committee advocated the slogan "three-horse carts can pull a load faster than two-horse carts." It rectified the former rule permitting only the commune and the production brigade, but not the production team, to engage in industrial production. It encouraged production teams to go all out in industrial sideline production. Thus, they were able to realize the concept of "making the best and fullest use of the advantageous conditions of a locality, the value of materials and the talents of the individual." In 1980, the gross income derived from industrial sideline occupations by production teams in the whole county amounted to nearly 100 million yuan, an increase of two times over that of the preceding year. This alone increased the average income per person by 120 yuan. Concurrently with extensively taking industrial sideline production, the teams, acting in the Chinese proverbial manner of the "eight immortals crossing the sea, each one showing his special prowess," developed various pursuits such as planting fruit trees, melons, vegetables and flowers; lumbering; raising birds, insects, fish and so on--all of which have become broad avenues for the advance to wealth and success.

Never before have the people of Nanhai been so full of confidence in socialism as they are today. They are determined, under the party's leadership, to struggle for the realization of the target set by the Nanhai County party congress, of building a "socialist new Nanhai which is industrialized, abounds with gardens and forests, is economically and collectively developed, and which has a beautiful environment and people enjoying a rich and prosperous life."

CARRY FORWARD THE SPIRIT OF REVOLUTIONARY HEROISM

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[Article in "Learning From the Chinese Women's Volleyball Team" column by Liu Junqi [0491 0193 2978]]

[Text] The championship won by the Chinese women's volleyball team in the third world volleyball cup finals has inspired the revolutionary enthusiasm of the broad masses of cadres and people. We must learn from the revolutionary heroism of the members of the Chinese women's volleyball team, which is characterized by hard training, heroic stubbornness, hard struggle and daring to win victory.

In order to learn from the spirit of the team and carry forward revolutionary heroism, it is imperative for us to follow the example of the team in cherishing great ideals and aspirations. Great achievement stems from great ideals. We will be able to maintain our steadfastness, to have a definite orientation, to arouse our spirit, to be stubborn and to persist in our fight only when we have a firm proletarian world outlook. In their revolutionary struggles, the proletariat has always combined work with great ideals and carried out all work vigorously. Such is the attitude of the women's volleyball team. The players of the team have always put the interests of the party and the people before everything else. They play volleyball for the revolution, and they have combined their revolutionary faith with their actions and spared no efforts to play every match well. They say: "The 1 billion people are concerned about us, and the prestige of the motherland comes above all other considerations." Their goal is to "wave the flag, receive medals and win championships." They never think of personal gain or loss. They are determined to change the backward situation in the three types of ball sports in our country and "view each match as a step toward remedying this situation." With this goal in mind, they have experienced countless difficulties, played a match even when they were sick, and put off love and marriage. They take as their motto the words spoken by the country's veteran sportsman Jong Guotuan: "We have a limited chance to fight in our life." With this motto, they trained stubbornly and eagerly to improve their individual skills and their team coordination. Owing to their efforts, they won the world championship and defeated many strong rivals because of their unique style and skills. The ideal for which they had been fighting was realized. Such a spirit of great ideals and aspirations and hard work is valuable, and we need it in carrying out revolution and the construction and modernization program. This spirit is an indispensable and great motive force for social progress, development of the state and the boosting of the morale of the nation. The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC," pointed out: "In the new historical period, all members of the party and the people of various nationalities across the country must continue to maintain lofty revolutionary ideals and revolutionary vigor and carry out the great socialist revolution and socialist construction to the end." The socialist modernization program now being carried out in our country is on a grand scale and is a hard task. It can in no way be carried out smoothly; on the contrary, our road of progress will no doubt be full of contradictions, difficulties and setbacks. Consequently, it is imperative for us, under the party's leadership, to cherish great ideals and aspirations, display our initiative in directing history, solve contradictions, overcome difficulties, and do a good job in building material and spiritual civilization. The comrades of the women's volleyball team have set a brilliant example for us, and we must learn to emulate them in our actions. The cause of our country will be very hopeful if we all act like the members of the women's volleyball team.

In learning from the spirit of the women's volleyball team and in carrying forward revolutionary heroism, we must follow the attitude of the players, which is characterized by hard work, dauntlessness, and stubbornness in overcoming difficulties and in winning victory. The attitude to be taken by revolutionaries toward difficulties and obstacles on the road of advance is an important question. According to the teachings of Comrade Mao Zedong, we must despite difficulties strategically and pay attention to them tactically, and surmount difficulties with doggedness. This is what the comrades on the team have done. In the past China was quite backward in three types of ball sports and it required strenuous effort to reach world standards. Displaying the revolutionary spirit of fearing neither "hardship nor death," the members of the women's volleyball team decided to catch up, whatever the cost, and for this purpose they were ready to sacrifice everything to obtain their goal. Over the past few years, they have proceeded from actual matches and carried out strenuous and scientific training characterized by difficult maneuvers and strict requirements. They would not take their meals or rest until they completed their training. Ignoring fatigue, they would not leave the battlefield even when they were injured. They played each game with the spirit of "winning the game at the cost of their lives." They understood that in order to reach the world standard they had to train hard, that when hardship ends joy will come and that the "blossoms of victory would burst forth in the form of sweat." With a stubborn will and determination, they have surmounted various difficulties and obstacles, climbed tortuous paths, and advanced with every gust of wind and with every wave. It would have been impossible for them to have defeated so many strong rivals and win the great victory in the world volleyball arena without carrying out regular and hard training and mastering the necessary skills. This fact proves that as long as we are able to pay attention to difficulties and spare no efforts to overcome them, we will be able to create miracles. In fact, the history of the Chinese revolution is one of strenuous struggle by the Chinese people. Recalling the past, we still remember that the old China was characterized by a backward economy, backward culture and backward physical culture, and China was ridiculed as the "sickman of east Asia." Under the leadership of the party and through protracted revolutionary struggles, the Chinese people ultimately overthrew the three big mountains of imperialism, feudalism and bureaucratic capitalism and established the People's Republic of China. Following the tremendous victories in socialist revolution and construction, our various causes, including physical culture, have made great progress. The Chinese people quickly removed the label of the "sickman of east Asia" and stood anew among the nations in the world. It can be said that backwardness in itself is not dreadful, but what is dreadful is the spirit of accomplishing nothing and of being content with backward situations. Lu Xun said: "When I am watching sports I often think that the winners are respectable; the runners who lag behind and persist in running to the finish line and those who watch them with respect and without laughing are the pillars of China's future." The women of the team and the hundreds of thousands of people who are working hard on various fronts are the ones praised by Lu Xun as having the spirit of being confident in the face of backwardness, undaunted in the face of difficulties, able to constantly find strength within themselves and to work with perseverance. These people are the real pillars for building the morale of the Chinese people and the motherland.

In learning from the spirit of the team and carrying forward revolutionary heroism, it is imperative to follow the examples of the team's members in combining the lofty aspiration to climb to the top with the spirit of being down-to-earth, and hard working so as to become actual doers and promoters. The proletariat and the working people are direct producers and creators of the goods and wealth in the world; they are modest doers. They understand that in revolutionary struggles and daily life they have to personally take part in practice so as to attain their anticipated goals. The team has also set an example in this aspect. The members of the team considered neither fame nor gain and dedicated their lives to physical culture with a strong sense of responsibility for their work. The team has changed from being weak to being strong, from being backward to being advanced and from being unknown to being famous at home and abroad, and this was made possible through hard training and work on the part of the players. There have been changes in the team's membership since it was formed, but all along it has carried out hard training with strict demands and worked painstakingly. Therefore, the team members are the actual doers that merit respect. They considered it meaningful that they are able to have exciting lives during their youth. They say: "When we all become old and recall our life today, we will certainly feel proud. This is because our lives have been meaningful and our youth had been dedicated to the motherland." What vivid and moving words! These words fully reflect the beautiful souls and deeds of the players. Those who speak empty words and are reluctant to do their work in a down-to-earth way should be enlightened upon heaving these words. It will not do to simply lie, brag or speak empty words. We can only do our work in a down-to-earth way. Lenin said: "Talk less beautiful words and do more daily ordinary work." Comrade Zhou Enlai said in his poem "Part and Never To Meet Again": "When we sit and talk, how can we stand and walk?" All these are useful sayings. Great ideals can be realized only through actual deeds, and difficulties and obstacles can be resolved only through actual deeds, and the edifice of socialism can also be completed only through actual deeds. We must follow the example of the comrades of the women's volleyball team, do our work strenuously and promote the development of our cause.

There are no difficulties in the world we cannot overcome as long as we dare to climb. Our country is now experiencing a new historical period; therefore, it is imperative for us, under the leadership of the party and led by hundreds of thousands of heroes, to form a vigorous revolutionary army to overcome various difficulties and obstacles on our road to advance and to realize the great goal of the modernization program. The victory won by the team has inspired the Chinese people and strengthened their national confidence. What the team could do, all other trades can also do. The whole of China can be changed from being backward to being advanced and can become one of the world's strong countries. Since the players were able to fully display their skills in international competition and win merit for the motherland, likewise, millions of Chinese people who also cherish ideals can also achieve great changes for the country. We must inspire revolutionary spirit, display revolutionary vigor, lose no time to catch up, march forward courageously, and make contributions to realizing the modernization program and to building our country into a powerful socialist country with a high level of democracy and civilization so as to live up to the expectations of our forefathers and the succeeding generations.

LEARN FROM THE COLLECTIVE SPIRIT OF THE WOMEN'S VOLLEYBALL TEAM

Beijing RED FLAG in Chinese No 2, 16 Jan 82 pp 44-45

[Article in the "Learning From the Chinese Women's Volleyball Team" column by Sun Shijie [1327 1102 2638]]

[Text] The history of the struggle of the Chinese women's volleyball team, characterized by hard training and close cooperation, is a song of collective spirit.

It has been a long dream of all members of the team to win the world championship and win merit for their socialist motherland. To realize such a goal naturally required each member of the team to have high skills, but what is more important is that the team had to be turned into a strong collective with close coordination and unity in their fight. The comrades of the team deeply realized through practice that volleyball is a sports event characterized by collectivity and that individual skills can be improved only through the collective, and they can display their roles only through collective efforts in matches. They also realized that if they lack the collective spirit and discipline related to such a spirit, they would not be able to defeat so many strong rivals in sharp competition even if they had mastered the skills. Consequently, in their "march toward the world" they had the national condition at heart, put the interest of the collective in first place, and closely united and supported each other for the common goal and eventually formed a very good interrelationship. Such a collecgive spirit has become the standard for their life and morale and the source of their wisdom and strength. In particular, when they are in very adverse conditions, they will be able to draw on incomparable courage and confidence from their collective spirit and to fight dauntlessly for the victory of the collective cause.

Of course, it is not easy to handle well the relationship between individuals and the collective and to nurture a highly collective spirit. It requires a protracted and stubborn education and tempering.

The members of the team are ordinary people in their life; they have no so-called inborn miraculous power. They have sweated and shed tears during unprecedentedly hard and strenuous training, and they often experienced temporary misunderstandings among themselves because of the mistakes made during competition. All this required a process of correctly handling the contradictions between the individual and the collective. When a member of the team, Chen Zhaodi, fell on the floor and could hardly move during hard training, she quietly scolded instructor Yuan as "cold-blooded," and Sun Jinfang made a face during a fierce match because another player, Lang Ping, did not take her hint. All this serves as a vivid example of the contradictions. Such contradictions are real and convincing, but they are not in the interests of cooperation during a match. Thus, as contradictions constantly cropped up and were constantly resolved, the misunderstandings among the players vanished and they became more and more amicable both in their thinking and feelings, and eventually they cherished the collective spirit profoundly. Within the ranks of members of the team, the coaches are closely united and cooperate with the players, and this is also the situation with regard to players on the field and reserve players and with regard to second passers and main attackers. The reason for this situation is that they are all linked by collective thinking. If we broaden the field of our vision and think of the nameless heroes who are responsible for accompanying them during training and doing logistics work, of the veteran players who have been tirelessly working for the "emancipation of big balls," and of the concern and encouragement of the hundreds of millions of Chinese people, compatriots in Hong Kong and Macao, overseas Chinese and international friends, we will further understand that "the championship that we have been struggling for has at last been won by the players" and consequently we can see the brilliance of the proletarian collective spirit.

A number of bourgeois scholars have put forward the view that "proletarian collectivism means the elimination of personality." Is this true? The practice of the women's volleyball team has powerfully refuted this view.

The team's coach, Comrade Yuan Weimin, said: "The 12 members of the team will be able to play with flying colors only when they have their own personalities. If their personalities are at ground-level, the team will be hopeless." What a good expression! We can say that Yuan Weimin is not only a volleyball coach with specialized skills, but also an ideological worker who understands Marxist dialectics. Thus, under his guidance and that of deputy coach Deng Ruozeng, each member of the team has her own skills and character. For example, Sun Jinfang is agile, Lang Ping is straightforward, Zhang Rongfang is calm, Chen Zhaodi is pungent, Cao Huiying is quiet, Chen Yajing is stubborn, Zhang Jieyun is ingenious, Zhou Xiaolan is decisive, Liang Yan is shy, Zhu Ling is lively, Zhou Luming is clever, and Yang Xi is natural and unrestrained. In short, each has her own character. They are not made out of one mold. Therefore, we can clearly see that, instead of eliminating personality, the collective provides full conditions for developing personality. Marx and Engels said: "It is only in the collective that individuals will be able to acquire the means for making al all-round development; that is to say, they will have individual freedom only in the collective." ("Selected Works of Marx and Engels," vol 1, p 82).

Stalin once compared the Marxist view on the correct relationship between the individual and the collective with the anarchic view, and he made a comprehensive theoretical generalization when he said: "Anarchism, which is based on individuals, holds liberating individuals as an important condition for liberating the masses and the collective. According to the anarchic viewpoint, there will be no mass liberation until individuals are liberated and consequently its slogan is 'all for the individual.' On the other hand, Marxism is based on the masses and it holds that mass liberation is the main condition for the liberation of individuals. That is to say, according to the Marxist viewpoint, there will be no individual liberation until the masses are liberated. Therefore, the Marxist slogan is 'all for the masses'." ("Collected Works of Stalin," vol 1, p 273).

The collective cause that is characterized by joint struggle improves and develops individual talent, while a full display of individual talent guarantees the victory of the collective cause. Such is the correct relationship between the individual and the collective, which has been vividly reflected by the women's volleyball team. It is becamse the team realized the dialectical unity between general character and individual character that it has become a harmonious, lively, strong team and has come first in the international volleyball arena. And when the members of the team mounted the rostrum as world champions amid a solemn atmosphere and when the five-starred Red Flag was being hoisted, they did not rejoice with the mean and selfish joy of individualism but with the feelings of collective proudness for the great motherland and the whole nation. In such an exciting atmosphere, the heroines of the team profoundly felt that they "were the happiest people in the world" and such feelings represent the most ardent praise for proletarian collectivism.

The proletarian collective spirit shows the nature of communist morality, and it is the core of socialist spiritual civilization. To correctly combine the interests of the collective, the state and the individual should be the socialist economic principle and the principle for socialist morality. To see things from such a high point, we can understand that the lofty collective spirit displayed by the women's volleyball team, just like its patriotism and revolutionary heroism, constitutes a spiritual wealth which is highly significant for the cadres and the masses on various fronts and a vivid manifestation of the spirit of the socialist era. Our work will be done better and better and our country will become strong as long as we are able to conscientiously learn from and display such a spirit and use it in the practice of the socialist modernization program.

THE IMPACT OF THE ENERGY QUESTION ON THE ECONOMIES OF THE DEVELOPED CAPITALIST COUNTRIES

Beijing RED FLAG in Chinese No 2, 16 Jan 82 pp 46-48

[Article in "Forum on Economic Problems of Imperialism" column by Qian Jinxi [6929 0093 2497]]

[Text] Crude oil is a type of energy which has good flammable qualities and a high calorific value, and can be stored and transported readily. It occupies a proportion of 56 percent of the world's structure of primary sources of consumable energy. Together with natural gas, its natural partner and close associate in both storage and collection, the combined proportion is over 70 percent. Hence, the current talk about the energy problem of the world economy is essentially talk about crude oil.

Since crude oil is an indispensable source of energy for the nations of the world, particularly for the developed capitalist countries, it occupies an important position in world trade. At present, trade in crude oil accounts for 22 percent of the gross volume of world trade. It makes up 51 percent of the gross tonnage of the world's export commodities, and the oil tanker fleet accounts for 44 percent of the gross world tonnage of oceangoing vessels. Hence, whenever internationally there is a crisis in crude oil supply or a sudden rise in the price of oil, the economies of the developed capitalist countries are tremendously affected.

The world's concern with the crude oil problem began in the 1970's. Prior to that time, although the oil-producing countries in Asia, Africa and Latin America had already started a series of struggles for the protection of their own oil interests and had at various times achieved successes in such matters as the crude oil tax rate, marked prices, share participation rights, nationalization, and so on, yet for a time the power of fixing oil prices remained in the hands of the world's transnational oil corporations. All the Western countries did their best to keep the oil price low so that they could reap exhorbitant profits. In the 1950's and 1960's, the economy of the imperialist world rose rapidly. One of the basic reasons for this success was the plunder from the developing countries of large quantities of crude oil, a cheap and good-quality source of energy.

As a result of this plunder from abroad, the capitalist countries found themselves becoming increasingly dependent on imported oil. After the Middle East hostilities in October 1973, the Arab oil-producing countries enforced an embargo on oil exports to the United States, West Europe and Japan. This caused a serious oil crisis in these countries. The consequences were that many plants had to shut down, transport capacity was drastically curbed, goods piled up in wharves and storage areas, and there were long lines in gasoline filling stations. The oil embargo was subsequently lifted, but the Organization of Petroleum Exporting Countries [OPEC] soon announced their decision to take back the power of fixing oil prices. Beginning from 1 January 1974, the basic oil price was raised from $3.011 to $10.651 per barrel. At the same time, the petroleum monopoly corporations of the West took the opportunity to raise the spot price of oil on the market in order to reap exhorbitant profits for themselves. This was the first steep rise in oil prices after the war. Naturally, it was a serious blow to Western countries, which heavily depended on crude oil for domestic consumption and had to depend heavily on imported oil. Without doubt, it played an important role in causing and aggravating the serious 1974-1975 postwar economic crisis in the Western world.

Since 1979, the crude oil market in the West has been full of vacillations and changes. Oil supply on the market was tight at times, but it eased slightly at other times. For example, in the early autumn of 1980, the stockpile of crude oil in the West had reached a saturation point and on the international market there had been a surplus of crude oil averaging 2.5 million barrels a day. Soon afterward, in September, hostilities erupted between Iran and Iraq. Badly battered by the war, both nations suspended their oil exports,and on the international market oil supply was reduced by about 3.5 million barrels a day. Meanwhile, the price of oil was rising steeply. By 1 January 1981, OPEC announced that Saudi Arabia's basic oil price would be $32 per barrel while the highest oil price from other sources ranged from $36 to $41 per barrel. This represented an increase of 3 to 3.5 times compared with the oil price in 1978. Beginning from the first quarter of 1981, owing to the steady decline in the Western economy and the enforcement of various oil economy measures, oil consumption declined. On the world oil market, there was a surplus of an average of 2 million barrels a day. The price of oil stabilized and actually dropped slightly. In October 1981, OPEC agreed on a new unified oil price: the standard oil price was fixed at $34 per barrel. At present, in the capitalist world the supply and demand of energy is generally in a balanced state. The oil price can be expected to remain stable for a period of time. In this way, the second steep rise in oil price, which had lasted for 2 years, came to a close.

Nevertheless, factors can still be found working for another steep rise in the oil price. They are: 1) In accordance with the law of the cyclical movement of the capitalist energy economy, a stability in oil price can very well promote an economic recovery, which in turn will result in a rise in oil consumption and in another shortage in oil supply. 2) More recently, in an effort to curtail the purchase of oil at a high price, the capitalist countries have dipped heavily into their oil reserves and as a consequence their oil stockpile has been gradually diminishing. When replenishment is due in the future, the market will be affected. 3) The war between Iran and Iraq is still continuing. Even when the war ends it will still not be easy for these countries to quickly restore their full oil production and export capacity. 4) The geographical distribution of oil deposits and production in the world is still very unbalanced. Contradictions between the petroleum-exporting countries and the major petroleum-consuming countries might yet be intensified. Thus, another steep rise in the oil price can hardly be avoided.

II

The large-scale rise in the price of crude oil in 1973 was a serious blow to the economies of the Western countries, which were then in a state of "stagflation." Its impact was rather broad. The outstanding features were as follows:

1. It reduced the speed of the growth of the economies of the Western countries. A lack of energy supply frequently impeded the development of the national economy. It was estimated that the impact of every 10 percent rise in the oil price caused a drop of 0.35 percent in the value of the gross national product of the Western countries.

2. It increased the international payments deficits of the Western countries and reversed, in part, the direction of their capital exportation. In 1978, before the second upheaval in the oil price, the developed capitalist countries had a surplus of $31 billion in their ordinary revenues and expenditures. In the course of the price rise, the surplus became a deficit. In 1979, the deficit was $35 billion and in 1980 it increased to $73 billion. From 1974 to 1978, as a result of the price rise, OPEC obtained a large amount of petrodollars, amounting to $660 billion in all. Of this, 75 percent was subsequently spend on importing commodities and labor services from the Western countries and on purchases of real estate there, or were deposited in Western banks or invested in Western enterprises. In 1979 and 1980, OPEC reaped a surplus of $184 billion from their ordinary revenues and expenditures. Of this surplus, a sizable amount flowed back to the Western countries. In this way, on the international capital market, aside from the developed capitalist countries exporting capital to the developing countries, a new feature developed, namely, the developing countries also transferred their capital funds to the developed countries.

3. It aggravated the currency inflation in the Western countries. During the period of the large-scale rise in the oil price, a high tide of currency inflation occurred in the Western countries. In the nine-nation West European community, the rate of currency inflation was 6.8 percent in 1979. It went up to 8.9 percent in 1979 and climbed to over 12 percent in 1980. In 1980, the growth rate of currency supply in the United States surpassed the original target of 6.5 percent and went up to over 8 percent.

In short, the steep rise in oil price aggravated the "stagflation" of the Western economies and weakened the economic potential of the Western countries.

III

The tremendous impact of the rise in oil price on the Western economies forced the various Western countries to adopt countermeasures to lessen the effect on their economies as well as to find a way out. The measures taken can be summarized as follows:

1. Formulation of a detailed energy policy and mapping out a general outline for energy supply; and establishment of an energy planning center which devotes its efforts to raising the effective utilization rate of energy and at the same time lowering the growth rate of energy consumption. For example, the policy outlines of countries like the United States, Japan, West Germany, France and Canada all had as their starting point an economic evaluation of the supply sources of the multiple forms of energy or of an individual source of energy, and proceeded with a comprehensive survey of the various phases relating to energy such as prospecting, developing, geographical distribution, price structure, allocation, comprehensive utilization, and the import and export trade. They served as the basis for the subsequent formulation of detailed guidelines, laws and regulations.

2. Development of multiple forms of energy and changing the energy consumption composition, such as raising the proportions of coal, nuclear energy, and hydroelectricity in the energy consumption makeup, and at the same time lowering the relevant proportions of crude oil and natural gas in the makeup and paying great attention to the utilization of energy that can be regenerated or reclaimed. In particular, the work on conversion of coal into a liquid or gaseous state has been given much attention by the various countries. In June 1980, the American Government snactioned an appropriation of $25 billion for the establishment of a special organ to study and promote synthetic fuels. Likewise, commencing in 1979, the Japanese Government strengthened research on the development of substitute forms of energy, particularly nuclear power generation. It is estimated that by the year 2000, in the primary energy consumption makeup of the Western countries, the proportions of crude oil and natural gas will decline respectively to 37 percent and 16 percent, whereas the proportions of coal, nuclear energy, hydroelectricity and solar energy, and synthetic fuels will possibly rise respectively to 24 percent, 10 percent, 9 percent and 4 percent.

3. Stepping up the prospecting and development of new oil areas. In the past, certain large oil areas in the Western countries such as those in the North Sea, Alaska and the sea areas of the United States adjacent to the Gulf of Mexico had seldom been developed owing to various deterrent factors such as poor natural conditions, or the complex nature of the oil deposits, or the extraction cost being much higher than the selling price. However, since the rise in oil prices, the production cost has become lower than the

selling price and, as a result, in the 1970's, commercial production was resumed in these areas one after another. Of them, the oil fields in the North Sea and Alaska have become the largest areas in West Europe and North America respectively. But the confirmed oil deposits of the North Sea oilfield are 3.2 billion tons and the output is about 100 million tons (1 year) while the confirmed deposits in the Alaska oilfield are 1.2 billion tons and the annual output is 70 million tons. Neither of them can offset the enormous deficit between oil production and consumption where they are located, namely, about 600 million tons in West Europe and about 400 million tons in the United States. Thus far they have been able only to resolve the problem of energy shortage in individual countries like England and Norway. For this reason, recently the United States has begun the exploration and development of the "(Nanpo) [0589 0980] oilfield" on the northern shore of the Gulf of Mexico and the adjacent exploratory fields outside the gulf. Likewise, Britain has proceeded with prospecting in the Irish Sea and the English Channel.

4. Improving the oil extraction or procurement rate. The extraction or procurement of crude oil is divided into three stages. At present, it is confined mainly to the primary and secondary stages. Western countries are now turning their attention to studying the methodology for the third stage. It is estimated that if this stage can be extensively developed, the equivalent of an increase of 20 to 30 percent in the volume of crude oil deposits will be effected.

5. Taking the road of "pluralization" in crude oil trade. For Western countries which are short of oil, ensuring the source of supply is highly important. These countries are deeply aware of the uncertainty of the political conditions in the petroleum-exporting countries and the wide divergence in their economic policies. Hence, the overcentralization in any one locality in the geographical distribution of foreign trade in crude oil is highly disadvantageous. Therefore, they strive for "pluralization" of the petroleum trade. Take the United States for example: following the large-scale rise in oil price for the second time, it has increased its oil imports from Saudi Arabia, Nigeria, Mexico, Indonesia, Britain and Norway. Formerly, Japan derived 90 percent of its oil imports from the Middle East. Now, its imports from the Middle East have dropped to 78 percent and imports from Southeast Asia have increased to 15 percent. In addition, plans are being made to expand its imports from China, Mexico, the Soviet Union and Africa. Western Europe has also increased its oil imports from Africa, the Soviet Union and Central and South America. In particular, since the sharp decline in oil exports from Iran and Iraq, the Soviet Union has become West Europe's second largest supplier of crude oil next to Saudi Arabia.

6. Establishment of energy-saving organs and strengthening of energy-saving work. For example, in 1974 France established an energy-saving bureau and in 1976 a transdepartmental energy-saving commission. Many other Western countries have set up similar organs. All the countries have adopted guidelines encouraging and promoting energy-saving measures and conversely imposing sanctions on wasteful practices in energy consumption. On the side

of encouragement, special privileges are given to industrial enterprises in the form of providing them with funds and equipment for the installation and use of energy-saving facilities or granting them loans at low interest rates for the installation of energy-saving facilities. To encourage residences and households to save energy, heat-insulating materials are supplied to them and solar collectors are installed. Economic sanctions are imposed on enterprises and individuals that violate energy-saving regulations. A surplus tax is levied on enterprises whose products are found to have exceeded the prescribed standard for energy consumption. Take, for example, fuel consumption of motor vehicles: the American government originally stipulated that 1975 ex-factory motor vehicles must attain the target of 18 miles per gallon of gasoline. In 1980, the target was raised to 20 miles per gallon, and it is planned that by 1985 the target will again be raised, to 27.5 miles per gallon. In order to attain this objective, the motor vehicle manufacturing industry is currently engaged in renovation work starting with the car engine and embracing the car body and tires.

Developed capitalist countries have adopted various measures and policies aimed at energy development and savings. They have devoted large amounts of capital and labor power to the energy departments within their countries. They have transferred to the developing countries those production departments which habitually consume large quantities of energy. In short, they have resorted to various ways and means to cut down their energy consumption and thereby reduce their overdependence on foreign countries. Needless to say, these policies and measures have had a considerable impact on the world's distribution of productive forces and on the economic structure and economic development of the developed capitalist countries. However, within a fairly lengthy period, it will still be impossible to basically change the production and consumption structure of energy in the world or to change the state in which the developed capitalist countries depend on the developing countries for oil or to replace all at once crude oil with a new kind of energy that will take over the top-ranking energy position. Hence, the economy of the capitalist countries will continue to be harassed by the energy question.

HOW DID LIU SHAOQI COMMENT ON 'THE INSIDE STORY OF THE QING COURT'

Beijing RED FLAG in Chinese No 2, 16 Jan 82 inside back cover

[Article by Wu Zhitang [0702 2535 2768]]

[Text] How did Comrade Liu Shaoqi comment on the film "The Inside Story of the Qing Court" when it was screened shortly after the founding of the People's Republic? Did he really praise it as a "patriotic" work? This has been a question of public concern for over a decade.

The origin of the question has to be traced back to the spring of 1967. On 1 April that year, Qi Benyu trotted out an article entitled "Patriotism or National Betrayal?--Commenting on the Reactionary Film 'The Inside Stofy of the Qing Court.'" In this article, he obstinately asserted that Comrade Liu Shaoqi once lauded "The Inside Story of the Qing Court" as a "patriotic" film. Seizing on this, he went on to sling mud at Comrade Liu Shaoqi, saying that Liu had all along practiced "national betrayal" and was "the top party person in power taking the capitalist road." He was not going to be content with anything less than Liu Shaoqi's destruction. The real facts of history show that all these allegations were charges fabricated by Lin Biao, Jiang Qing and Qi Benyu for the purpose of framing Comrade Liu Shaoqi.

In fact, shortly after the screening of the film "The Inside Story of the Qing Court," Comrade Liu Shaoqi, just like Comrade Mao Zedong, held a critical opinion of the film's ideological trend and deemed that it preached reformism. This was clearly reflected in Comrade Liu Shaoqi's speech at a study forum organized by the CPPCC National Committee for Democratic Personages.

Comrade Liu Shaoqi's speech that day focused on the study of Marxism-Leninism and the question of the interrelationship between reforming the objective world and reforming the subjective world. Discussing the film "The Inside Story of the Qing Court" in connection with the widespread movements carried out at that time commencing with the movements for land reform, to resist the United States and aid Korea and to suppress the counterrevolutionaries, he criticized this film and said it was not worth any positive appraisal because it preached reformism. He said: "The Inside Story of the Qing Court" preaches reformism. It gives people the impression that had Guang Xu been able to do this or that, we could have lived without the revolution, without

Dr Sun Yat-sen and even without what we are pursuing now. Comrade Liu Shaoqi also pointed out: Reformism has been tried out, but it did not work. There is no compromise on the question of class struggle. In a given historical period in the development of a society, it is necessary to overthrow the reactionary class in the interest of the overwhelming majority of the people. Today, if you wholeheartedly support land reform instead of opposing it, you stand for truth and progress. The same applies to the building of socialism in the future. It is evident that in these remarks, Comrade Liu Shaoqi was criticizing the ideological trend of the film "The Inside Story of the Qing Court" as reformist. He had no intention whatsoever of lauding it as patriotic.

It was precisely for this reason that when Qi Benyu's defamatory article was trotted out, Comrade Liu Shaoqi was able to justifiably knock the bottom out of this violent attack which stood truth on its head and confused enemy with friend and say: "There are many lies in this article. When did I say that this film (referring to "The Inside Story of the Qing Court") was patriotic? When did I talk about becoming a "Red comprador'? These claims do not tally with facts and are false charges." These few forceful words have hit the nail on the head and laid bare the whole essence of the question.

Lies written in ink cannot change the iron-clas facts of history. As the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" pointed out: "Irrefutable facts have proved that labeling Comrade Liu Shaoqi a "renegade, hidden traitor and scab' was nothing but a frameup by Lin Biao, Jiang Qing and their followers." Irrefutable facts have also repudiated all the slander and libel of Comrade Liu Shaoqi by Lin Biao, Jiang Qing and their followers in connection with the film "The Inside Story of the Qing Court."

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CONTENTS

Enhance Party Spirit, Strive for a Fundamental Turn for the Better in Party Spirit (pp 2-14)
(Zhang Yun) 1

An Important Principle in the Work of Cadres (pp 15-17)
(Commentator) 24

An Important Question in the Emancipation of the Mind (pp 18-19)
(Shi Jian) 29

On the Question of Achieving Greater Investment Returns (pp 20-23)
(Song Shaowen) 33

The Reorganization, Reform and Revitalization of China's Machine Building Industry as Seen From Shanghai (pp 24-28)
(Zong Tang) 41

Comrade Liu Shaoqi's Contributions to Mao Zedong Thought--Studying Volume 1 of the 'Selected Works of Liu Shaoqi' (pp 29-31, 17)
(Shi Zongquan) 50

What Are the Problems That the Marxist Theory of Circulation Can Help Us Solve? (pp 32-34)
(Lin Zilin) 56

The Key Lies in Strengthening Leadership (p 35)
(Ji Xin) 60

What Cadres Have Gained From Studying the Theory of Reproduction (pp 36-37)
(Propaganda Department of the Jiangxi Provincial CCP Committee) 62

Even Leading Cadres of Counties and Communes Can Master the Theory of Reproduction (pp 37-38)
(Theoretical Education Office under the Propaganda Department of the Guangxi Zhuang Autonomous Region CCP Committee) 65

Why Must There Be a Ceiling on the Issuing of Bonuses? (pp 39-40)
(Fu Rong) 68

Is It in Conformity With the Principle of Distribution According to Work To Consider All Sides When Issuing Bonuses? (pp 40-41)
(Zong Han) 70

The 320th Anniversary of the Recovery of Taiwan by Zheng Chenggong (p 41)
(Li Hong) 73

What Should Be Our Attitude Toward the Party's Making Mistakes? (pp 42-45)
(Li Mingsan, Guo Dehong) 75

Soviet Expansion in Southeast Asia (pp 46-48)
(Sun Fusheng) 82

It Is Necessary To Constantly and Consciously Study Comrade Mao Zedong's Scientific Writings (inside back cover)
(Chen Zhongbang) 88

ENHANCE PARTY SPIRIT, STRIVE FOR A FUNDAMENTAL TURN FOR THE BETTER IN PARTY SPIRIT

Beijing RED FLAG in Chinese No 3, 1 Feb 82 pp 2-14

[Article by Zhang Yun [4545 5686]]

[Text] The problem of party work style is a very important task in party building and a matter of primary importance with which people inside and outside the party are concerned. I would like to talk about my understanding and thoughts on this problem.

The Relationship Between Party Work Style and Party Spirit

A stream has its source and a tree has its roots. Party spirit determines party work style and the latter is the manifestation of the former. To talk about the problem of party work style, we should, first of all, be clear about party spirit and the relationship between party spirit and party work style.

What is called party spirit is the intrinsic nature of a political party. The Chinese Communist Party is the vanguard organization of the Chinese proletariat, the nucleus of the socialist cause in China and the faithful representative of the interests of the people of various nationalities in China. Our party's intrinsic characteristics, which are different from those of other political parties, formulate our party spirit. Each and every Communist Party member should acquire this party spirit. Comrade Liu Shaoqi said explicitly: "The party spirit of Communist Party members is the highest expression of the principled nature of the proletariat, the intrinsic quality of the proletariat and the highest and most concentrated expression of the interests of the proletariat. The tempering and cultivation of the party spirit of Communist Party members are the reform of the innate character of the party members themselves." ("How To Be a Good Communist," pp 94-95, People's Publishing House, August 1949) What does party spirit encompass, then?

We should take Marxism-Leninism-Mao Zedong Thought as the theoretical basis guiding the thinking of our party. This is the first important principle of the theoretical nature of our party spirit. In accordance with the principle of combining theory with practice, we should unswervingly use

Marxism-Leninism-Mao Zedong Thought to guide all the actions of our party, conscientiously study and use the stand, viewpoints and methods of Marxism-Leninism-Mao Zedong Thought to practically deal with new situations occurring in revolutionary practice and solve various new problems. In so doing, we will adhere to party spirit. If we fail to uphold or even abandon the basic principle of Marxism-Leninism-Mao Zedong Thought, or regard it as an ossified dogma while supposedly upholding it, or take a pragmatic attitude to quote out of context and distort it willfully, we will not be adhering to party spirit.

To strive to accomplish the great objectives of wiping out all remnants of the exploiting system and realizing socialism and communism is the second principle of our party spirit. As early as the time of the birth of our party, we had already worked out the party's ultimate program of striving for the realization of socialism and communism. This is a sacred mission entrusted by history to the proletarian revolutionary political parties. Only by unswervingly upholding this lofty belief, can we adhere to party spirit. If we give up this communist ideal and abandon the party's ultimate goal, our party spirit will no longer exist.

Working selflessly and serving the people wholeheartedly is the third principle of the party spirit. The Communist Party stands for the abolition of classes and the implementation of public ownership and collectivism. Thus, it represents the greatest interests of the broad masses of people. The interests of the party are identical with those of the people. The party does not or should not have any narrow and sectarian selfish interests which hold it aloof from the people. We should work selflessly, attach primary importance to the overall interests of the party and the revolution and serve the people wholeheartedly. This is the purpose of our party and an important criterion for being a qualified Communist Party member. The fact that every Communist Party member devotes his energy or even his life to the cause of the party and the people is the most perfect manifestation of party spirit. If a Communist Party member always thinks of his personal interests and disregards the interests of the party and the people or even goes so far as to seek personal gain at the expense of the interests of the party and the people, this means that his party spirit is not pure or that he has not acquired it.

Enforcing iron discipline on the basis of the high level of consciousness on the part of party members is the fourth principle of our party spirit. Ours is a centralized and unified political party which takes democratic centralism as its basic organizational principle. It resolutely follows the practice of "centralism on the basis of democracy and democracy under the guidance of centralism" and resolutely observes the iron discipline that "individuals should follow organizations, the minority should submit to the majority, the lower level is subordinate to the higher level and the whole party must obey the party Central Committee." We absolutely forbid the existence of factions within the party and resolutely oppose any kind of sectarian tendencies and activities in violation of organizational discipline. Such discipline is established on the basis of party members' high level of consciousness. Therefore, it is truly authoritative and powerful.

We should conscientiously act in accordance with the principle of democratic centralism and always uphold the unity and centralism of the entire party. In particular, we should keep in line with the central authorities politically, always uphold the party's strict discipline and constantly strengthen the sense of organization and discipline of the whole party. In so doing, we will uphold the party spirit of the proletarian vanguard. If we allow individualism, anarchism, extreme democracy and factionalism to spread unchecked, the party's organizational principle and iron discipline will be weakened and obstructed. This will lead to an abnormal inner-party political life and will trample upon the principles of our party spirit.

Maintaining close ties with the masses and upholding the mass line is the fifth principle of our party spirit. The mass line is our party's fundamental line. As early as at the party's "seventh congress," Comrade Mao Zedong explicitly pointed out: The fact that we Communist Party members can maintain the closest ties with the broadest masses of people is a marked sign which differentiates us from other political parties. In his "On the Party," Comrade Liu Shaoqi said: "The standpoints of everything for the people, of holding oneself responsible to the people, of having faith in the people's ability to emancipate themselves, and of learning from the people constitute our mass standpoints. These are the standpoints of the vanguard of the people in regard to the people." We should uphold the mass line which is the characteristic of the proletarian political party, fully realize that the interests of the party and people are identical and that the act of holding oneself responsible to the party is the same as that of holding oneself responsible to the people and identify ourselves with the masses. We should share the comforts and hardships of the masses and should not for a moment divorce ourselves from the masses. In so doing, we will uphold party spirit and strengthen it. All erroneous tendencies such as bureaucracy, warlordism, tailism, closed-doorism and so forth will weaken or nullify our party spirit.

We should be very conscientious and never carry out self-criticism perfunctorily and should openly acknowledge and correct our own shortcomings and mistakes. This is the sixth principle of our party spirit. The fact that we conscientiously practice self-criticism and never conceal faults or hide our sickness for fear of treatment or put the blame on others is another hallmark distinguishing the CCP from all other political parties. We can consciously adopt the method of criticism and self-criticism to constantly expose and overcome shortcomings and mistakes occurring in our activities to educate ourselves and the people. This is the quality and character of the Communist Party and where our party spirit lies. We can judge a party member's party style by how he practices self-criticism. Those who fear criticism and self-criticism are not good party members.

The above-mentioned six principles of the party spirit embody, in essence, the intrinsic nature of our Communist Party which strictly distinguishes it from all other political parties. Viewing the situation as a whole, we know that these principles of the party spirit cannot be changed and transformed. If they are changed, transformed or even abolished, our party will lose its nature and characteristics of the proletarian vanguard. In so doing, it will inevitably degenerate, and no longer be a Communist Party. Therefore, party organizations at all levels and comrades of the whole party should always consolidate and strengthen these six principles of party spirit. They are not allowed, in the slightest degree, to weaken and destroy them.

Our party spirit is specifically reflected and embodied in the activities of the party organizations and words and deeds of party members. Those Communist Party members who are truly qualified and not merely nominal should possess this kind of party spirit. However, party spirit possessed by party members as individuals are like fingers which are different in length. Individuals' party spirit might change. Under certain conditions, some individual party members will strengthen or weaken or even lose their party spirit. Those who formerly neglected party spirit might attach importance to and strengthen it. Strong party spirit will become weak and vice versa. Pure party spirit might become impure and vice versa. All these are determined by whether party organizations are constantly providing party members with education on party spirit, whether party members as individuals accept the party education and whether they are able to conscientiously carry out the cultivation and tempering of their party spirit. If one can conscientiously study theories by integrating what he has learned with ideological reform and dares to build up his willpower in revolutionary practice, his party spirit will be strengthened and become purer. Otherwise, his party spirit will be weakened and his revolutionary will lessen or he may even lose his communist outlook. Therefore, to maintain our party's intrinsic character, all our comrades should strengthen the cultivation and tempering of their party spirit and never become lax in their efforts. Young and new party members should exert great efforts. These veteran comrades who have been party members for a long time should also work very hard and take the lead in this respect. During his lifetime, Comrade Zhou Enlai had a well-known saying: "Learn, work and remold yourself as long as you live." "Remold yourself as long as you live" means a process of constantly tempering and cultivating one's party spirit.

Party spirit and party work style cannot be separated from each other. Whether our party work style is healthy is determined by our party spirit. Historical facts have told us: Within our Communist Party, there is no party member whose party spirit is strong but whose party work style is bad. There is no party member who has healthy party work style and very bad party spirit. Party spirit and party work style are in direct proportion. Some people with bad party spirit and unhealthy party work style always take extreme individualism as their jumping-off point. They act according to circumstances and are good at changing their guises and pretending. Outwardly, they act with feigned impartiality, but inwardly they are filthy. Such hypocrites and chameleons have shown their true colors even though they can deceive people for a period of time. They eventually are exposed and come to no good end. Only by constantly strengthening our party spirit can we truly improve our party work style.

The Relationship Between Party Work Style and the Party's Destiny

Since the 3d Plenary Session of the 11th CCP Central Committee, the party Central Committee has repeatedly stressed that we should do well in improving party work style, restoring and carrying forward the party's fine traditions and that we should regard the practice of enforcing party discipline as a matter of primary importance in party building and in bringing order out of chaos. We should grasp this work firmly. Why should we do so? Comrade Chen Yun's remark hits the nail on the head. He said: "The party work style of a ruling party has a direct bearing on the life and death of the party."

Whether the party work style is good or bad determines the people's will. The people's will in turn decides the destiny of the party. The masses of people will never follow the party blindly. They not only "listen to what the party says" but also "watch what it does." They appraise and assess our party based on the activities of party organizations, the behavior of party members and the advantages of the party's line, guiding principles and policies. All these will determine whether they trust and support the party or respond to the party's call to work together with us.

Two kinds of conditions occurred in the party's history. The first condition was: All our party members possessed strong spirit and our party work style was good. The party organizations and party members looked upon the interests of revolution as their very life. They always thought of the masses, trusted and relied on them. They gave due consideration to the overall situation when matters arose, kept the whole situation in mind and were the first to bear hardships and the last to enjoy comforts. They had the masses in mind, and were eager to meet their needs. They never hesitated in shedding blood and making sacrifices in order to safeguard the interests of the masses and strove for the emancipation of the people. They thought and acted as one and their deeds were consistent with their words. The broad masses of people saw all this with their own eyes and were pleased. Therefore, they followed the party wholeheartedly or even supported the revolution and protected the party organizations and party members at the risk of their property and lives. During the years of the revolutionary war and White terror, the People's Army led by the party became more and more powerful. What were the sources of our troops? We mainly relied on millions upon millions of people who voluntarily joined the army. Wives sent their husbands and mothers sent their sons to join the army. They truly vied with one another in signing up for military service! At that time, when our troops fought east and west on many fronts and were both on the offensive and the defensive, logistic support never stopped. Who carried out the transportation work? We mainly relied on millions upon millions of the masses who pushed their carts, drove their donkeys and used their carrying poles. Those magnificent sights were truly earth-shaking and soul-stirring! "Those who are supported by the people will surely prosper." Due to the assistance and support of the broad masses of people, our party overcame one difficulty after another. It was truly invincible.

Another condition is poor party spirit and unhealthy party work style. Party organizations and party members have given top priority to partial and individual interests. They show no consideration whatsoever for the overall situation or effect and always proceed from the advantages or disadvantages of their own units and themselves. They are fond of arrogating power, seeking private gain and resorting to dishonest means. They do not show the slightest concern for the sufferings of the masses and do not mind infringing on or damaging the interests of the masses and riding roughshod over them. They think in one way and behave in another, and their words do not tally with their deeds. Consequently, they have become more and more separated from the masses, turned into "armchair commanders," lost all popular support and suffered a crushing defeat. Judging from the situation as a whole, this kind of condition has never appeared before in the history of our party. Judging from individual places and individual party members, such instances are rather common.

Since party work style has a bearing on the destiny of the party, why did Comrade Chen Yun give prominence to the words "ruling party" and lay special emphasis on "the question of the work style of the ruling party is a matter of vital importance to the party"?

First, following the victory of the revolution, our party shifted from the grim wartime environment to a stable peacetime environment. From the status of being oppressed and massacred, it has become the ruling party of the country controlling enormous state power and national wealth and having contacts with various sectors both at home and abroad. The principal task of the party has shifted from leading the people to seize power to leading the people to consolidate power, constructing the country, building a strong and modern socialist country and creating conditions for the future transition to communism. This is an excellent thing. However, because of the fundamental change in the circumstance and status of the party and the task of the party under the new historical situation, the slightest negligence in party building will also result in new problems, produce certain side effects and affect the change in party work style.

During the revolutionary war years, one had to endure great hardship and run risks in making revolution, and there were not many small personal advantages to be gained. Most of the people who joined the party were dedicated to the revolution. They were always prepared to spill blood, make sacrifices, go to prison or lose their heads, and their revolutionary will was very strong. Speculators and waverers generally would not join, and even those who were swept in by the revolutionary torrent would also be continuously eliminated in the struggle. At the same time, objective circumstances also compelled us to make a success of party work style and to be modest and prudent in the struggle. We had to work hard, go deep into reality and keep in touch with the masses, and we could not practice subjectivism, bureaucratism or seek personal privileges; otherwise, we would be in danger of being defeated and exterminated by the enemy. At that time, the quality of the whole party was very good. Everybody attached greater importance to the tempering of party spirit and consciously improved the party's style of work. Therefore, even when troubles appeared, they were also not difficult to overcome. After the Yanan rectification campaign, our party summed up both the positive as well as negative aspects of the experience since the founding of the party, applied the method of criticism and self-criticism to carry out education on Marxism-Leninism-Mao Zedong Thought and enabled the party spirit of the whole party to be greatly strengthened. This developed into the party's three important styles of work of integrating theory with practice, forging close ties with the masses and practicing self-criticism and fostered the fine traditions of the party. This not only guaranteed the survival of our party and pulled it through the difficult years of the war of resistance against Japan and the liberation war, but also enabled it to keep on developing and growing and to eventually score a nationwide victory with the all-out support of people of various nationalities throughout the country. Our party won lofty prestige among the people of the whole country and the whole world and became known as the great, glorious and correct Chinese Communist Party.

In the face of the great epoch-making victory, under the conditions of suddenly becoming the ruling party of the whole country, what were the problems which were to appear in the party? Comrade Mao Zedong had foreseen them long ago. At the 2d Plenary Session of the 7th CCP Central Committee, he warned the whole party: "With victory, certain moods may grow within the party--arrogance, the airs of a self-styled hero, inertia and unwillingness to make progress, love of pleasure and distaste for continued hard living. With victory, the people will be grateful to us and the bourgeoisie will come forward to flatter us. It has been proved that the enemy cannot conquer us by force of arms. However, the flattery of the bourgeoisie may conquer the weak-willed in our ranks. There may be some communists, who were not conquered by enemies with guns and were worthy of the name of heroes for standing up to these enemies, but who cannot withstand sugar-coated bullets; they will be defeated by sugar-coated bullets. We must guard against such a situation."

This well-meaning advice given by Comrade Mao Zedong was mainly intended for the veteran party members and cadres of that time. However, it is also suitable for the other party members and cadres who have joined the party since the founding of the People's Republic.

On the one hand, there are many good comrades in the party who have remembered Chairman Mao's warning. For the last 30 years, they have stood up to the test of changing environment and conditions and always preserved a strong party spirit and the fine traditions and styles of work of the party. For the sake of the cause of the party and people, they quietly immerse themselves in hard work, labor diligently and uncomplainingly and bend their backs to the task until their dying day. They are worthy of the honor of being called a communist. It is only natural that they are loved and respected by the comrades in the party and the broad masses of people and regarded as models for emulation. To make a success of party building and national construction, we must rely on comrades with this kind of strong party spirit and pure party work style as pillars and mainstays.

On the other hand, we must see that as a result of the change in the environment and status of the party after it came to power in the country, there are definitely quite a number of party members who cannot stand up to the test in this period. Consequently, those conditions which Comrade Mao Zedong warned us to guard against have appeared in varying degrees. The problems which occurred are even more complicated and serious than he had anticipated. Just as the broad outline of the resolution approved at the third plenary session of the Central Discipline Inspection Commission held in the spring of 1981 pointed out: Since the founding of the PRC, in our party "we have on the one hand certain veteran cadres who have been through rigorous tests during the revolutionary war and under the reign of White terror and certain advanced elements on various fronts who have joined the party after the victory of the revolution. After becoming 'officials,' they are fond of flattery and cannot be criticized. They become complacent and lethargic and gradually show no concern for the sufferings of the masses. They allow themselves to be covered with the dirt of bureaucratism, become arrogant, conservative, lazy and greedy for creature comforts and develop a 'special privilege' mentality. A handful of them cannot withstand the 'suger-coated' bullets of various shapes and forms in society, mainly the influence of feudal ideas and the corrosive influence of moribund bourgeois ideas, and they change from public servants of the people into overlords sitting on the backs of the people or become mediocre people without revolutionary enthusiasm and with no sense of political responsibility and think only in terms of personal advantages. On the other hand, there are many people whose motives are not pure. Because they see that by joining the party in power they no longer have to take rigorous tests or risks but will be trusted and given responsible posts, they therefore use every means to worm their way into the party to scramble for power and profit."

Actually, we do not want these nominal party members even as a gift. Unfortunately, this kind of people have already wormed their way into the party. When joining the party, these people also verbally vowed that they would dedicate themselves to the struggle for achieving the lofty ideals of communism. In reality, they have a "small abacus" in their hearts. What they mainly want is to use the title of a member of the ruling party and take advantage of the status of the ruling party to reap as much profit as possible. Moreover, they are neither prepared nor have any intention of really discharging their responsibilities or making contributions to the cause of the party and people. Some of them even have ulterior motives and are bona fide speculators and careerists. How can we expect such unqualified or questionable party members to display strong party spirit or good party work style?! The large number of such people in the party will more easily give rise to problems in party work style. All this has obviously become even more conspicuous as a result of the new conditions and problems appearing in the building of the ruling party after the 10 years of internal disorder of the "Great Cultural Revolution."

Second, the question of the ruling party's work style needs to be particularly stressed also because, under the new historical circumstances, this question is easily overlooked by party organizations at all levels and by comrades in the party.

Meng Ke of the Warring States Period, in the book "Mencius," said: "Without enemy states and foreign aggressions, a nation will perish." Ouyang Xiu of the Song Dynasty, in "Preface to Lingguan Zhuan," a history of five generations, said: "Worries and labor can contribute to the rise of a nation, leisure and overindulgence will lead to ruin." The historical lessons summed up by the ancient people are quite true, and they also deserve to be used as object lessons by our Communist Party and our socialist state.

Since the founding of the People's Republic, although enemy countries and foreign countries still exist, the threat of this kind of external pressure to the survival of our country is no longer as pressing as during the revolutionary war years. Under the condition of the peaceful and stable environment and as the ruling party, the quality of the ties between the party and the masses no longer has such a direct bearing on the prosperity and decline and the ups and downs of our party as during the revolutionary war years. Large numbers of troops, who lived scattered among civilian houses, have now moved to centralized camps. Large numbers of comrades have shifted from the countryside to the cities and large numbers of cadres have been transferred from the basic levels to leadership organs. Naturally, their ties with the people are no longer as close as in the past. After a while, the concept of the enemy's situation and the mass viewpoint of many of the comrades in the party soon begin to weaken and arrogance, complacency, bureaucracy and apathy begin to develop. At the same time, everyone soon forgets and no longer pays attention to the question of how to preserve the fine traditions of the party and improve the party work style. They often cannot coordinate holding themselves responsible to the leadership organ and holding themselves responsible to the people. We must also see that regardless of whether in internal affairs or foreign affairs, our work has become increasingly difficult. To begin with, the leadership of the party should be political leadership. However, for the sake of convenience, much of the work which should be carried out by the government is often directly taken over by party organizations. Consequently, there is no distinction between the party and the government and the party no longer runs the party. In other words, the bulk of the energy of party organizations is tied up in administrative work and the building of the party itself is slackened off instead. Under this kind of situation, it is naturally very easy to neglect the question of improving party work style.

Third, the reason we must place special emphasis on the importance of improving the party work style of the ruling party is also because whether or not the Communist Party will degenerate and collapse after coming into power is no longer an abstract theoretical question, but the danger really exists in actual struggle.

What our party has been through is sufficient to explain that if the ruling party neglects and slackens off the building and rectification of the party itself for any length of time, or even if it attaches importance to and firmly grasps the work, but cannot accurately diagnose the "symptoms" or write out a correct "prescription" because of the domination and influence of "leftist" ideas, the consequences will be disastrous. Under these two kinds of conditions, the quality of the whole party will further deteriorate, and correspondingly, party spirit will certainly become more and more impure and party work style will certainly become more and more unhealthy. If this situation continues, it will provide suitable soil or climate for the conspirators and careerists in hiding to unite and form themselves into a reactionary force, and they will take advantage of the opportunity to carry out activities to usurp party leadership. In this way, there will be the danger of the party being undermined and usurped and this will lead to degeneration and changing color. It would be well for everyone to think of the past:

During the "Great Cultural Revolution" the Lin Biao-Jiang Qing counterrevolutionary cliques took advantage of the mistakes of the party to arrogantly go on a rampage and wreak havoc. They turned the whole party and the whole country into a mess. In those years signs of danger appeared everywhere and there was a danger of the party degenerating and the country changing its color. Are these facts not vividly displayed before the comrades of the whole party and the people of the whole country?!

In conclusion, it is definitely very easy for the work style of the ruling party to have problems. It is definitely also very easy for the ruling party to neglect party work style. If the ruling party is not well run, there is definitely the danger of becoming estranged from the masses, being sabotaged by conspirators and careerists and also degenerating and changing color. To always preserve the quality of our party as the vanguard of the proletariat and always maintain blood ties between our party and the broadest masses of people, we must improve party work style.

The Current Situation of Party Work Style

In the beginning of 1981, it was pointed out in the "summary of the third forum convened by the Central Discipline Inspection Commission on implementing the 'guiding principles'" which had been approved by the CCP Central Committee that: "Since the smashing of the 'gang of four,' and particularly since the 3d Plenary Session of the 11th CCP Central Committee, and with the hard efforts of the party, there has been a considerable improvement in our party's work style." "However, generally speaking, there has not been a fundamental change for the better in our party work style when compared with the early years since the founding of the party. In many places and departments, the unsavory trends practiced by the party members and cadres have become very serious questions." One year has passed now since this was published. Our party work style at present has been greatly improved compared with 1 year ago. Despite a varying speed of improvement on all fronts and in all aspects, the general situation is promising and the prospects are bright.

Speaking from the point of view of the CCP Central Committee, since the 3d Plenary Session of the 11th CCP Central Committee and in view of the principle that within our party's highest leadership nucleus, party spirit decides party work style and the latter is the manifestation of the former, party spirit has been strengthened and the party work style has fundamentally changed for the better. We have strong grounds to support such a saying.

For instance, since the third plenary session, our party has redressed a large number of unjust, false and wrong cases in the manner of seeking truth from facts and has seriously implemented the party's cadre policy, giving a large group of proletarian revolutionaries who have undergone repeated tests and good cadres who are loyal to the party's cause a chance to work for the party again. Under such a premise, the question of collective succession of the leadership nucleus of the CCP Central Committee in carrying forward the revolutionary cause pioneered by our predecessors and forging ahead into the future is completely solved. Can the CCP Central Committee do this if it does not possess the principles of being selfless, proceeding with everything from the interests of the revolution and wholeheartedly serving the people and the resulting fine party work style?

For instance, the sixth plenary session has adopted a practical and convincing resolution which is full of the spirit of self-criticism regarding several questions in the history of the party since the founding of the state. These questions include complicated ones such as the "Great Cultural Revolution," particularly some major questions such as the historical role of Comrade Mao Zedong and how to correctly understand and view Mao Zedong Thought. Can the CCP Central Committee do this if it does not possess the party principles of Marxist dialectical materialism and historical materialism and the resulting fine work style?

For instance, since the third plenary session, the CCP Central Committee has been leading the whole party in turning chaos into order in various fields and has formulated a complete set of correct line, principles and policies in order to liven up the political sphere, the economic sphere and the ideological sphere and to advance and win victories under the guidance of the four basic principles. Comrade Zhao Ziyang gave an encouraging report on this at the Fourth Session of the Fifth NPC. Can the CCP Central Committee do this if it does not possess the party principle of upholding the socialist road and the communist ideals and the resulting fine party work style?

For instance, since the third plenary session, the CCP Central Committee has been continuously calling for upholding party discipline and promoting party work style, and for this very reason, it has decided and has officially restored the discipline inspection committees at all levels, formulated and adopted the "Several Guiding Principles on Inner-Party Political Life" and several regulations on the livelihood and treatment of high-level cadres. In addition, the CCP Central Committee has taken the lead in upholding democratic centralism, upholding collective leadership and upholding the launching of criticism and self-criticism in the political life inside the CCP Central Committee. As far as leading work is concerned, it has taken the lead in going deep into reality, going deep among the masses, carrying out investigations, seeking truth from facts, opposing bureaucratism and opposing lies, exaggerations and empty words. As far as everyday life is concerned, the CCP Central Committee has advocated hard work and plain living, opposed practicing extravagance and waste and seeking personal privileges, striving to improve as soon as possible the party work style which has been totally ruined in the 10 years of upheaval by the Lin Biao and Jiang Qing counterrevolutionary cliques and striving to restore as soon as possible the fine traditions of the party. Can the CCP Central Committee do all this if it does not possess the intrinsic essence of communism and the resulting fine party work style, and consequently be bold in upholding the truth for the people's interests and correcting mistakes?

For instance, news of victory has kept pouring into the rural areas over the last few years. The 800 million peasants, who suffered during the 10 years of upheaval and under the guidance of the erroneous "left" agricultural policies, are content now, singing the praises of the CCP and socialism. What accounts for this change? It is because, since the third plenary session, the CCP Central Committee has been proceeding from our national condition, rationally readjusting the agricultural policies and vigorously pushing forward the agricultural production responsibility system. Consequently, the whole rural economy has been enlivened, giving the peasants something to strive for and gradually enriching them. Can the CCP Central Committee do this if it does not possess the party principle of seeking truth from facts and following the mass line and the resulting fine party work style?

During his lifetime, Comrade Mao Zedong put forth a tentative idea of "creating a political situation which has both centralism and democracy, discipline and freedom, unified will and individual ease of mind and liveliness and vigor." This wish has fundamentally been realized in the CCP Central Committee since the third plenary session. Our CCP Central Committee has actually taken the lead in enhancing party spirit and correcting party work style. It has set a very good example for the whole party. As a veteran party member, I am elated by the strong party spirit and fine party work style which have been realized by our CCP Central Committee since the 3d Plenary Session of the 11th CCP Central Committee, and I am confident that the whole party's work style will be improved under the leadership of the CCP Central Committee.

The promising situation of strengthened party spirit and improved party work style has been clearly manifested and reflected in various aspects in many places and departments throughout the country.

For instance, since the CCP Central Committee reiterated the party discipline and urged the whole party to keep political unanimity with the CCP Central Committee, the situation has been improved among the party organizations at all levels and party members who went their own way, feigned compliance and openly boycotted the decisions and policies of the CCP Central Committee. Regarding the implementation of the party's line, principles and policies, although there still has not been strict enforcement of orders and prohibitions, the situation is much better than it was 2 years ago.

For instance, since the CCP Central Committee published the "Resolution on Several Questions in the History of Our Party Since the Founding of the PRC" adopted at the sixth plenary session, conducted the forum on questions on the ideological front, reiterated the four basic principles and further expounded on the party's "double-hundred" policy, the ideological confusion inside the party has fundamentally been cleared up and the arrogance of bourgeois liberalization and extreme democratization has obviously been weakened.

For instance, since the Central Discipline Inspection Commission worked in compliance with the instructions of the Central Committee, worked in coordination with other departments concerned, and strengthened struggles against unsavory trends and deeds in violation of law and discipline in the economic realm, it has seriously investigated and dealt with typical cases, vigorously commended good people and good deeds and severely dealt with bad people and vicious deeds. Thus, the unsavory trends in the economic realm which had aroused discontent among the people have disappeared to a varying degree. Being condemned by public opinion both inside and outside the party, departmental selfishness which does not take the interest of the state into consideration and is only concerned with the interest of the unit itself and the trend of practicing extravagance, has changed. Criminals inside the party who ganged up with bad social elements, engaged in speculative activities, practiced corruption and theft, engaged in smuggling activities, accepted bribes and seized state property have been taught a lesson by the party discipline and state law.

Another example is that in the course of further implementing the "guiding principles," party organizations at all levels have generally restored the system of inner-party life. Integrating study of the central documents, CCP committees of the various departments and various state organs, and CCP committees of all provinces, municipalities and autonomous regions have generally conducted party group and party committee meetings on life. Many places have improved the system of democratic centralism and established the system of collective work, bringing about obvious changes in some places where the patriarchal system and the practice that one person alone has the say existed for a very long period of time. Particularly, since the Central Committee issued instructions to all areas and departments on overcoming weakness and laxness in leadership and vigorously strengthening ideological and political work, the mental state and leadership work style of many leading cadres have been improved to a great extent. Grasping ideological and political work cannot be separated from grasping party work style. In order to improve the state of weakness and laxness, we must straighten our backs to carry out struggles against the unsavory trends. Many heads of party committees and party groups have personally listened to reports on discipline inspection work, personally made arrangements for carrying out large-scale inspection against unsavory trends and personally approved handling of serious discipline violation cases. They have taken the lead in thoroughly grasping work, starting with themselves and extending work from this point to all areas. There have been good examples of grasping party work style at provincial, prefectural and county levels in many areas.

Another example is that since the CCP Central Committee published the decision on two agricultural problems, the whole rural economy has been livened up and various forms of the production responsibility system have been implemented. In many places, party work style and the relationship between the party and the masses at the grassroots have been improved to various degrees.

Not long ago, Comrade Deng Xiaoping said: We have made a judgment that the current political situation of the party and the state is the best since the 1960's. Comrade Zhao Ziyang pointed out in his report delivered at the Fourth Session of the Fifth NPC that the whole economy at present has turned out to be better than we had anticipated. We should like to ask: Is it possible that such a good political and economic situation appeared without there being a great improvement in our party work style? Therefore, speaking from the viewpoint of the party and the state as a whole, we have already put an end to the dangerous situation created as a result of the 10 years of upheaval, in which individualism, anarchism, and extreme democratization ran rampant, in which factionalism took the place of party spirit, and in which the healthy atmosphere was not expanded, unhealthy trends ran rampant, evildoers were in power and good people suffered. We have led the party and the country onto a normal and healthy road of development.

However, we must not let success go to our heads and must soberly realize that unsavory trends are still commonly found inside the party. Unsavory trends are found in all departments and all areas to varying degrees, and the situation is grave in certain departments. Serious cases occur constantly. All this shows that there has not been a fundamental turn for the better in party work style. Although some unsavory trends have been checked today, they may manifest themselves again tomorrow. Although some have been checked in certain places, they may gain ground in other places. We must make still greater efforts in correcting party work style and must not slacken our efforts in carrying out resolute struggle against various sorts of unsavory trends inside the party in order to restore our party work style to the level of that after the Yanan rectification or in the early years after the founding of the country. We must enable our party work style to serve as a strong guarantee, play an active role in fulfilling our task of realizing the four modernizations, build a high degree of material and spiritual civilization and not become obstacles.

At present, what are the serious unsavory trends inside the party which merit our closest attention and should be vigorously corrected?

As far as the political and ideological realm is concerned, the problem of maintaining political unanimity with the CCP Central Committee cannot be said to have been solved in all levels. The letters from the masses and the cases of appeals and accusations of the party members in some departments and places show that a small number of cadres including leading cadres still feign compliance with the party Central Committee's line, principles and policies but stick to their old way of doing things. They always delay implementation of policies which should be promptly implemented and refuse to redress unjust, false and wrong cases which should be redressed. Seen from the ideological front, it cannot be said that everyone has accepted the four basic principles. A small number of party members still have the erroneous thinking of shaking off party leadership, shaking off the socialist road and promoting bourgeois liberalization. It will be impossible for these party members to talk about party spirit if they persist with their erroneous thinking and refuse to correct it.

As far as social and economic life is concerned, unsavory trends which are commonly found include making use of connections, doing things through the back door, giving banquets and presents, practicing extravagance and waste, benefiting oneself at the expense of the public by means of one's own authority, promoting departmental selfishness, seeking personal privileges for oneself, dependents, and relatives and so on. Many of these unsavory trends were first practiced by party members and cadres. Some leading cadres not only turned a blind eye to all these but even ganged up with these people, not feeling ashamed and thinking themselves clever. Proceeding from promoting unsavory trends, some party members and cadres gradually supported, tolerated, sheltered or even took part in illegal activities such as corruption, theft, speculation, smuggling, tax evasion and so on. Being corrupted by foreign bourgeois thinking and way of life, some party members and cadres have lost national self-respect and they worship and have blind faith in things foreign. Even more, they try to seek benefits for themselves from foreigners at the expense of national pride and their own integrity.

In party and national political life and in economic management, bureaucracy is also commonly found. This has become a major obstacle in the course of taking the new road of national economy and building the four modernizations. Administrative work style and party work style are basically the same thing, and unsavory administrative work style is the consequence of unsavory party work style. In his government work report, delivered at the Fourth Session of the Fifth NPC, Comrade Zhao Ziyang put forth that it is necessary to "resolutely change the unbearable situation in which there is a great number of departments and overstaffed organizations, in which the administrative structure is complicated, in which departments argue back and forth over trifles, in which there are more hands than needed and there is an excessive number of deputy posts and empty posts and in which efficiency of work is low." At the same time as we are vigorously simplifying organizations, it is demanded that leading cadres of state organs constantly go deep into the realities of life, go deep among the masses, carry out investigations and go to the lower levels and grassroots to solve practical problems. "We must resolutely correct the bad practices of shifting responsibility onto each other, being dilatory in doing things and being irresponsible in work and resolutely get rid of the 'yamen' work style of being enthusiastic in passing around official documents and correspondence but not in solving practical problems."

Why has there not been a fundamental turn for the better in our party's work style even up to now? There are many factors accounting for this and the major ones are as follows:

1. The 10 years of upheaval have seriously ruined the party's body and corrupted the party's traditions and work style, exerting deep and wide pernicious influence on the people. All these wounds cannot be healed in a short time. When we recall that it took our party 10 years from the Zunyi meeting to the seventh party congress to fundamentally exterminate the pernicious influence of leftist adventurism, it is not hard for us to imagine how tough the task is to exterminate the "sequelae" of the "Great Cultural Revolution."

2. Over the last few years, many party organizations and leading party cadres have not paid serious attention to grasping education in the party spirit. They always separated party work style from party spirit and grasped party work style merely for the sake of grasping party work style. They did not exert sufficient guidance or support in the course of struggling against various unsavory trends inside the party, only relying on a small number of people who worked off and on and were unable to concentrate all forces to work at one stroke. Neither have they made good use of the masses' supervision or press criticism to build up momentum. Grasping party work style

in such a way can only get half the result with twice the effort, wasting energy and having very little effect.

3. From the upper levels to the lower levels, the questions of mixing party and government work and the party not minding its own affairs have not been solved in actual practice, despite the CCP Central Committee's repeated demands to find solutions for them. Up until now, a considerable number of party organizations of various departments and areas have not paid serious attention to grasping party work style and education in the party spirit and have ignored ideological and political work. As soon as they immersed themselves in production and business, they turned a blind eye and a deaf ear to the unsavory trends. They could not exercise strong and powerful leadership or display combat effectiveness. In many cases, severe unsavory trends existed in the leadership groups themselves. Therefore, they could not improve organizational life or carry out positive ideological struggles in accordance with the party's organizational principles and even dreaded criticism and self-criticism in the same way as people dread tigers. Grasping party work style faces more obstacles in places where the following "three kinds of persons" still occupy leadership posts: those who gained ground by following Lin Biao and the "gang of four," those who are seriously affected by factionalism, and those who beat, smash and loot.

4. There has been no party rectification for a number of years and the problem of the impurity of the party ranks and organizations has not been solved. It was mentioned above that some party members inside the ruling party might have degenerated and that it was unavoidable that certain speculative and ambitious members were admitted as party members. All this brought about the impurity of the party organizations. The party ranks were expanded by 100 percent amid the chaos during the 10 years of the "Great Cultural Revolution," and it is true that some of the party members were basically not qualified. This aggravated the situation of impurity of the party organizations. In January 1980, in the report entitled "The Current Situation and Tasks," Comrade Deng Xiaoping said: "At present, some party members are unqualified. Those new party members who joined the party when it was under the rule of the ultraleftist line had never received any party education. They cannot set examples for the masses and thus are unqualified. Some of our veteran party members have been qualified party members for a long time in the past. However, they have become unqualified now because they also are unable to set examples for the masses. We advocate party spirit and oppose factionalism. However, some people can never discard factionalism. A large number of people, including our veteran party members, have a higher sense of factionalism than of party spirit. How can these people be qualified?" Those unqualified party members inside the party have not established a revolutionary world outlook and have no communist ideals. The minds of some of them are filled with individualism and they even treat the distorted theories of "one's authority will become invalid if one does not make good use of it," "with power, one has everything" and so on as truth. How can they talk about party spirit? And how can they display good party work style?

5. Party discipline has not been strictly enforced. At present, unsavory trends involve political, economic, cultural and other fields. However, over

the last few years, there were many obstacles in the course of correcting unsavory trends and party discipline was not strictly enforced. Punishments have been too lenient and perfunctory; those who should have been punished were not punished at all or were just lightly punished. Thus, punishments have not played the role of rescuing the individual and educating the majority of the people.

How To Bring About a Fundamental Change for the Better in the Party's Work Style

Over the past year or so, while affirming on many occasions obvious signs of improvement in the party's work style, Comrade Hu Yaobang has pointed out that a fundamental change for the better in the party's work style has yet to be achieved. He has suggested that a decisive turn for the better in the party's work style be achieved this year. The No 21 issue of RED FLAG in 1981 specially carried "Comrade Deng Xiaoping's Talks on Rectifying the Party's Work Style" and also an article by its editorial department entitled "Fight for a Fundamental Change for the Better in the Party's Work Style." As for how to achieve a fundamental change for the better in the party's work style, I think that the following several points must be further stressed:

1. We must pay close attention to education in party spirit and intensified training in party spirit.

In order to achieve a fundamental change for the better in the party's work style, a decisive part is the vigorous continuous conducting of partywide education in party spirit so that every party member can consciously strengthen his training in party spirit. On this basis, we must continue to firmly implement the "Guiding Principles on Inner-Party Life" and more resolutely fight various unhealthy and evil practices within the party. Taking good care of education and training in party spirit is a fundamental guarantee for the proper rectification of the party's work style. Establishing a proper work style will in turn stimulate the strengthening of party spirit.

The main contents of the program for education in party spirit should include: Education in Marxism-Leninism-Mao Zedong Thought; education in party regulations and guiding principles on inner-party political life; and education in the party's fine traditions and work style. At present, strengthening education in party spirit is a matter of urgency. I suggest that some concrete measures be adopted in a down-to-earth manner.

The discipline inspection commissions and organizations and propaganda departments at the central, provincial, municipal and autonomous region levels must join forces to work out, as soon as possible, teaching materials aimed at strengthening education in party spirit--materials to be handed over to the lower-level party organizations for reference and to party members for reading or study.

Our party has said much about party spirit, as can be found in some documents of and appeals by the party Central Committee over the past many years and the speeches and articles of the leading comrades of the party Central Committee. Since the 3d Plenary Session of the 11th CCP Central Committee, the party Central Committee has also stressed and reaffirmed many points. For example, as far as the ideological line is concerned, we have reaffirmed practice as the only criterion of truth and opposed the philosophy of "two whatevers." Politically, we have reaffirmed the four basic principles and opposed bourgeois liberalization and ultrademocracy. In regard to inner-party political life, we have reaffirmed guiding principles for the actions of the party, have upheld party spirit and opposed factionalism and have supported the party's fine traditions and fought various unhealthy practices. In actual work, we have stressed that we must be down-to-earth, concretely analyze problems, do everything with reality in mind, uphold the principle of "no right to speak without having made an investigation," and oppose subjectivism, bureaucratism, factionalism, decentralism, and so forth. That portion of the 6th Plenary Session of the 11th CCP Central Committee's "Resolution on Certain Problems in the History of Our Party Since the Founding of the PRC" on Mao Zedong Thought, reaffirmed in a concentrated form some correct viewpoints and suggestions by Comrade Mao Zedong on the building of the party. Many slogans reflecting the principles of party spirit, such as "utter devotion to others without any thought of self," "fear neither hardships nor death," "be the first to march forward and the last to retreat," "be the first to suffer and the last to enjoy comforts," "the foolish old man who removed the mountains," "serve the public selflessly," "learn from Comrade Lei Feng," "party members must play an exemplary role and party branches must play the role of a bastion," and so forth, seemed for a time to have gone out of fashion. Some of these slogans were even criticized in newspapers and magazines as wrong. Now they have again been affirmed and advocated. All these principles, demands and slogans translated into the actions of party organizations and party members represent the fine party work style. Are they not very good teaching material on party spirit if properly compiled, expounded and developed?!

Party schools at all levels should attach importance to education in party spirit and should not one-sidedly raise the theoretical level without regard to education in party spirit.

Party newspapers and magazines at all levels should attach importance to publicizing problems of party spirit and party work style. They must take the trouble to publish some theoretical articles on party spirit and party work style. They must always act in cooperation with the discipline inspection departments reporting typical cases and openly praising or criticizing them. They must conduct publicity in a big way to inspire and arouse people. They must stimulate the effort of various quarters to fight unhealthy trends.

As bastions in the forefront of work and production, basic-level party organizations should become regular classrooms for conducting education and training in party spirit. We must regularly call party branch general meetings, party branch meetings and party group meetings and regularly give party lessons to party members and prospective members. These efforts, known in brief as "three meetings and one class," must be properly handled. But we cannot just talk nonsense or mechanically pass on what is being publicized.

Instead, we should take the actual conditions of party members into consideration and conduct education with targets in mind. Through education in party spirit, we must enable party members to continuously strengthen the concept of the party, to consciously carry on the party's fine traditions, to put party interests above everything else and to better fulfill party assignments.

In a word, the party at all levels must in all fields tackle the problem of strengthening party spirit as a major issue in building up the party and as a major theme in strengthening the building of the party ideologically. The job must be done well in a serious manner.

Comrade Mao Zedong said: "There are many party members who have joined the Communist Party organizationally but have not yet joined the party wholly or at all ideologically. Those who have not joined the party ideologically still carry a great deal of the muck of the exploiting classes in their head and have no idea at all of what proletarian ideology, or communism, or the party is. 'Is proletarian ideology not the same old stuff?' they ask. Little do they know that it is no easy matter to acquire this 'stuff.' Some will never have the slightest communist flavor about them as long as they live and can only end up by leaving the party." ("Selected Works of Mao Zedong," Vol 3, p 832) In judging whether a party member has joined the party ideologically and whether he is qualified as such, we must chiefly check to see whether he is imbued with party spirit and how strong his party spirit is. In training a prospective party member, we must pay primary attention to his training in party spirit, apart from giving him a fundamental knowledge of the party. Only after he acquires a certain degree of party spirit can he be admitted to the party. After joining the party, he must continuously strengthen party spirit and give expression to party spirit in his words and deeds at all times, embracing a fine party style. Every party member must have a sense of honor or guilt where the degree of party spirit is concerned. Within our party, we should create a trend where everyone equates party spirit with honor and lack of it with shame.

How should our comrades make a start in strengthening training in party spirit in order to acquire the spirit of the Communist Party and become a good party member who is imbued with party spirit and is worthy of the name? Comrade Li Shaoqi's "How To Be a Good Communist" is very good teaching material for strengthening training in party spirit. We should seriously read it and follow what is said. Every Communist Party member who makes it his ambition to fight for communism throughout his life must continuously transform himself in practice. He must distinguish between communist ideas and individualist ideas, between proletarian ideas and all nonproletarian ideas, between materialism and idealism and between dialectics and metaphysics. He must correctly handle the relations between party interests and individual interests, gradually cultivate a communist world outlook and relevant methodology, solve the problem of joining the party ideologically and make himself a really qualified Communist Party member. Now we must build socialist spiritual civilization. For a Communist Party member, being mindful of party spirit and acting according to the principles of party spirit is an embodiment of a high degree of spiritual civilization.

2. We must purify the ranks of the party and perfect the life of the whole party.

In order to purify the ranks we must do an organizational overhaul. The impurity of the party ranks is a realistic problem confronting us and is one of the main reasons why our party work style has so far not basically taken a turn for the better. Therefore, in their speeches in the past 1 or 2 years, Comrade Deng Xiaoping and Comrade Hu Yaobang have time and again pointed out: There is now really a problem of reorganization confronting our party.

At present, we must first properly reorganize various leading groups. In recent years, our party has done much work in this respect. But the problem has still not been completely solved. This is a very complicated and unusually important problem. It concerns the party's organizational line. Continuous and serious efforts should be made toward its proper solution. We must resolutely get rid of those who made a start by joining Lin Biao and the "gang of four" in rebellion, those seriously affected by factionalist ideas and those given to beating, smashing and looting--people who still exist in the leading groups. In no way can we show compassion and leave them alone so that they constitute a potential threat to the party. We must also remove from leadership posts those who obstinately resist and oppose the party's line and general and specific policies introduced since the third plenary session, those who take the lead in promoting unhealthy practices and even act against the law and those who are unamenable to reason and incorrigible. We must resolutely rid the party of those who have made serious mistakes and have become completely disqualified as party members.

Second, we must rely on those leading groups which have already been purified to further overhaul party organizations and purify the ranks. We must take effective measures to make a clean sweep of speculators who have wormed their way into the party to pursue their own ends and those careerists given to making trouble and carrying out sabotage. Coping with this matter is a long process. We must at all times combine our efforts with various tasks and show not the least slackening of effort in taking care of every one of these undesirable persons and in getting rid of all who are discovered. According to the standards for party members, the abovementioned several kinds of people of course do not qualify for membership. But we cannot hold the sweeping view that those party members do not qualify as such are beyond help. Therefore, in overhauling organizations, we must guard against putting things in simplified terms. All those Communist Party members who can be saved after being educated must be subjected to patient and conscientious education and be saved and transformed. Otherwise, we are very likely to make serious mistakes. Another point worth noting is that we cannot complete the purification of the party ranks at one stroke. We must not only work at it at present but also do so in the days to come. We must treat it as a long-term task in the organizational building of the party.

Apart from organizational consolidation, we must give a lot of attention to the rectification of thinking and the rectification of the work style. In solving the latter two problems, we must chiefly rely upon the whole party to further implement the "guiding principles" and other relevant central documents. Everyone from party committees and organizations at all levels to basic-level party branches must strive to improve organizational life and to seriously unfold criticism and self-criticism. Now some areas and departments are plagued by unhealthy trends. In several speeches in 1981, Comrade Hu Yaobang pointed out that those who supported the central line were isolated, those who worked energetically were isolated, and those who spoke the truth and upheld justice were isolated. Some people made a point of criticizing and finding fault with those relatively active comrades. This actually discouraged what was right and proper and dampened the revolutionary enthusiasm of the masses of party members. This trend must be reversed. Our party member cadres cannot neglect their party spirit and go with the tide, doing as others do and playing the role of "good old me." Instead, they should make a clear distinction between right and wrong where principle is concerned and dare to uphold what is right and proper and to wage a resolute struggle against those unhealthy and evil practices. They must strictly enforce party discipline concerning some people who perform poorly ideologically and who make a practice of defying law and discipline. Party organizations at all levels must strive to overcome the state of laxity and weakness, so that we can get well organized and be well guided in our work style and can distinguish between right and wrong, between merits and demerits and between what should be penalized and what should be rewarded, making the party branch a really strong bastion.

3. The whole party must get involved in taking comprehensive measures and vigorously rectifying party work style.

The party work style permeates and finds expression in the whole party's political life and various tasks and party members' words and deeds. Rectifying the party work style is the task of the whole party and also the duty of party organizations at all levels and the whole body of party members. As adjuncts to party committees in rectifying the party work style, discipline inspection commissions at all levels, in particular, cannot shirk the responsibility. Some comrades have shifted this important issue completely on to discipline inspection committees and party committees, doing nothing and even taking it as an extra burden. This is a very wrong idea. Experience in several years fully shows that only by getting the whole party involved, taking comprehensive measures, linking up efforts at all levels and going whole hog can we basically bring about a turn for the better in the party style.

First, party committees at all levels must realistically strengthen leadership. In rectifying unhealthy trends, the most important point is to start with the leadership, set examples at every level and have one level take care of another. Facts tell us that where the party committee of an area of department has directed intensified efforts toward this job and exercised effective leadership, the party style changes quickly for the better. The stimulating effect of a turn for the better in the party work style on vocational matters and on production and construction is also very obvious. Conversely, where the party committee of an area or department has treated the problem of party work style lightly and is weak in its leadership, unhealthy practices inevitably remain very common and pervasive, making it difficult to achieve remarkable results in vocational and production fields. We hope that those areas that have achieved something in this respect should strive for still greater progress. Those areas which for a time failed to exert themselves seriously should also strive to learn from others' useful experiences and lose no time catching up. Comrade Yang Yichen, first secretary of the Heilongjiang provincial party committee, said: "If the party work style is not properly taken care of in Heilongjiang Province, we of the provincial party committee must hold ourselves responsible. I, for my part, must bear the greater part of the responsibility. If the party work style is not properly taken care of in various prefectures and municipalities, the prefectural and municipal party committees must be held responsible and the principal men must be made to answer for it." I set great value on what he said. If leading groups at all levels and the principal men of party committees, in particular, display such spirit and courage in handling the party work style, is there still any need to worry about not properly rectifying the party work style?

Second, discipline inspection departments, organizational departments and propaganda departments of the party are the three main active departments helping party committees in taking charge of party building. These three departments assume important responsibilities in organizational and ideological fields and in how to develop a proper party style in work, life and other respects. Therefore, the discipline inspection, organizational and propaganda departments of the party must act in cooperation in their routine work, sharing tasks and taking unified steps. They must also make well coordinated arrangements and take concerted actions concerning how to help party committees in properly handling the matter of strengthening party spirit and basically bringing about a turn for the better in the party's work style.

Third, various specialized departments, enterprises and units serving the people in such fields as the national economy, culture, education, science and technology must, on the one hand, keep busy with business matters and, on the other, take care of party spirit and party work style. Generally speaking, many departments connected with business matters perform relatively well in "paying simultaneous attention to the two fields." But the situation of the party committee of a department stressing business and production to the neglect of ideological and political work and paying no or scant attention to unhealthy party practices is also rather common. Such a trend must be realistically reversed.

Fourth, we must realistically promote democracy and safeguard the democratic rights vested in party members by the party constitution and the power vested by the state's constitution in the people to be masters of their own house. The aim is to enable party organizations at all levels and leading party cadres at all levels, in particular, to receive supervision from the party and the masses. To consciously strengthen their training in party spirit, our comrades should not be afraid of supervision and criticism by lower levels and by the masses. They should instead actively create conditions and arouse and welcome all comrades, friends and people who show loyalty to the party and love for the party inside and outside the party to strengthen supervision over themselves, to criticize our shortcomings and mistakes at any time and to help us rectify unhealthy practices. The kind of attitude adopted toward supervision and criticism from inside and outside the party is in itself a test of party spirit on the part of every one of our party members.

Fifth, party discipline inspection departments at all levels must strive to raise their ideological level and their professional level. In their work, they must keep summing up experiences and lessons and get deeply involved with the world of reality. The aim is to make investigation and study, get acquainted with new conditions and solve new problems. In helping the party committees to rectify the party style, they must have a clear idea of prevailing conditions, get properly oriented, cherish a great determination and follow correct methods, in order to achieve outstanding results.

To basically bring about a turn for the better in the party's style, the comrades of discipline inspection departments must get armed ideologically, enhance their sense of party spirit, arouse their spirits, and cherish a firm militant will. They must set great store by "courage," showing no fear for trouble, no fear for hardships, no fear for great obstacles, no fear for offending others and no fear for a vengeful counterattack and adhering to the principle of everyone being equal before party discipline and state laws. They must have the courage to fight all unhealthy trends and bad men and bad deeds. In the past, some comrades doing discipline work often confined the problem of party work style to the limits of a party member's life style and had a narrow outlook. Therefore, opposing the seeking of privileges in life was regarded as the sole aim of the effort to rectify the party work style. This represented a biased view. Should unhealthy practices in life be opposed? Of course, they should be. Should they be overcome? Of course, they should be. For a time, both the central and local authorities directed vigorous efforts toward this matter and achieved obvious progress. Such efforts should be continued. But judging by the situation as a whole, the whole party must at present especially focus attention and energy on overcoming unhealthy practices in the political, ideological and economic areas. In no way can we neglect or relax our struggle against the unhealthy practices in these fields.

At present, there are many favorable conditions when it comes to the rectification of party work style. The passive and pessimistic feeling of "a disease being incurable at its terminal stage" is unjustified. We should note that the party Central Committee has attached great importance to the rectification of party work style and cherished a great determination for that matter. Comrade Hu Yaobang urged the whole party to take up two important issues: the building of material civilization and the building of spiritual civilization. The rectification of party work style was also treated as an important part of the effort to build spiritual civilization. Recently, he again clearly stressed that in the new year, we must strive to bring about a decisive turn for the better in the party's work style. Under the impetus of the central appeals, the leading comrades of party committees at all levels and of various areas and departments have paid increasingly close attention to the problem of party work style concerning the ruling party. The great majority of comrades within the party and the masses of people have called on us to rectify the party work style as quickly as possible. Rectifying party work style is the common desire of the party and the people. A matter that has won such keen support from the masses of party members and people can surely be handled well.

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AN IMPORTANT PRINCIPLE IN THE WORK OF CADRES

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[Article by Commentator]

[Text] Setting strict demands on cadres and taking good care of cadres who have resigned or retired is an important principle of the party's cadre work. Some departments and units pay very little attention to this. They have not shown due respect and concern for cadres who have stepped back to the second and third lines but give much consideration to cadres on the frontline and do not set strict demands on the latter. This has reversed the order of importance.

The fundamental goal of our cadres is to wholeheartedly serve the people and hold ourselves responsible to the people. The reason why we must set strict demands on cadres, especially leading cadres on the frontline, is that they have directly shouldered the arduous task of organizing the masses in building the socialist economy and culture and their work has a most important bearing on the development of the entire socialist cause. At the very least it should be demanded that all leading cadres on the frontline conscientiously and effectively implement the line, principles and policies of the party and become models of political unity with the Central Committee. They should not, however, merely mechanically copy and relay instructions, and even less should they all go their own separate ways. In their leadership work they must stick to principle and should also give concrete guidance. They should be able to frequently examine the work of lower levels and offer prompt assistance to their subordinates to help them resolve difficulties in their work and should become models of a high degree of responsibility toward the socialist cause. However, they should not merely talk about things without taking any action, hemming and hawing whenever they face a decision or performing their duties in a perfunctory manner. They must not only work 8 hours each day but must also combine an enthusiastic spirit with scientific method. Working creatively they should become models of raising efficiency in work. They must not pass their time in a careless and sluggish manner. They must strictly follow the guiding principles for inner-party political life, and by refusing to use their official authority for personal gain and steadfastly opposing unhealthy trends they should become models of arduous struggling and honesty in performing official functions. They should never pose as "special citizens," making strict demands on others while being very lax themselves. In other words, they must be able to prove through their own practical actions that they are qualified leaders worthy of their position and authority. No matter what position a cadre is in, he should fully realize the necessity of setting strict demands on himself and conscientiously performing his duty in his position. The higher the position and the greater the authority of a cadre, the stricter the demands should be.

What should the examination of whether or not a cadre, particularly a leading cadre on the frontline, measures up to the above-mentioned conditions be based on? It should not be based on what he has said or how others have lavishly praised him but should be based on what he has done while performing his duty at his post and on what achievements he has scored that have been acclaimed by the masses. As far as the secretary of a county committee is concerned, if after 2 or 3 years' work, he has brought about remarkable changes in building the party and socialism in the county through his work and has won the support of the great majority of cadres and people, he has proved himself worthy of his post and is even a relatively fine secretary of the county CCP committee. On the contrary, if after several years of work he has made no contribution and nothing has really changed, and if even after he has been offered assistance he has neither attempted nor accomplished anything, causing the majority of cadres and people to become dissatisfied with him, then permission should be given for his resignation from office and the organization should reassign him to work more suited to his capabilities and political integrity. It should be like this for the secretary of a county committee and for other cadres as well.

For a long time, a certain view has been quite common among some comrades. It seems that once a cadre has been assigned to a post, he cannot be transferred to other posts even if he has made no achievements for a long time. If he has not violated any laws or regulations, whether or not he is earnestly working at his post or whether or not he is worthy of his post does not matter. Otherwise, the party organization will be asked to treat him according to the party's policy. This is a misunderstanding of the party's policy for cadres. It is incorrect and harmful. Only if we truly set strict demands on leading cadres at all levels can we spur them on to forge ahead, to raise their efficiency in work, to maintain and develop the party's fine work style and to resist corrosion of various nonproletarian ideas. Only in this way can we organizationally ensure the training of fine capable persons and the continuity of leading groups at all levels.

Stressing setting strict demands on cadres, particularly leading cadres on the frontline, does not at all mean that we need not consider their actual needs. The purpose of giving consideration to their actual needs is to provide them with conditions for serving the people better. At present, our country is not yet rich and we are carrying out economic readjustment. Even the people's livelihood can only be improved step by step. So matters concerning cadres' livelihood can only be tackled in order of priority. It is impossible to meet all the needs of cadres. We must also plainly tell cadres on the frontline that since they are entrusted with the important historical mission of carrying forward the revolutionary cause pioneered by our predecessors and forging ahead into the future, they should conscientiously share worries with the party, understand the country's difficulties and make up their minds to work harder and bear hardships in their daily life. If cadres can set an example in this respect, the masses will have greater faith in the four modernizations and their enthusiasm to realize the four modernizations will further be increased. We are sure that the great majority of cadres are eager to see that our country becomes strong and prosperous earlier and are aware of the great responsibility they have undertaken. They have acted or are acting in accordance with the strict demands set by the party and the people. However, there are also a few leading cadres on the frontline who do not work hard but incessantly scramble for special treatment or considerations of this kind or that. They even make use of their authority to seek special interests. We should not be overlenient toward them. On the contrary, we should uphold the principle of setting strict demands on them. Only in this way can we help them get the loads off their backs so that they can make further progress.

We should give due political respect to cadres who have stepped back to the second and third lines and fully meet their livelihood needs. Viewed from the current situation, many units have made much improvement in this respect but quite a few problems still exist. What is most worthy of attention is: As soon as some old comrades have stepped back from the frontline, they have to work in another office and no telephones are provided for them. They are no longer given the same treatment as when they were on the frontline in reading documents, listening to reports, using cars, consulting doctors, distributing houses, in cultural life and welfare in daily life. When they were at their posts, people offered help even when they had no difficulties. But after they have stepped back to the second and third line, their actual difficulties are not reasonably resolved and remain for a long time. They are sometimes given the cold shoulder. "When a cadre is at his post, human feelings exist. But once he has retired, human feelings disappear." This phenomenon is a reflection of the bad work style of "snobs" of the old society in the work of cadres. It runs completely counter to the principle of setting strict demands on cadres at their posts and taking good care of cadres who have stepped back from the frontline. An important reason why this situation exists is that some leading cadres or cadres in charge of this kind of work lack politics in their minds. They are not clear about the far-reaching significance of old comrades stepping back to the second and third lines. We should understand that old comrades who can no longer take up heavy work due to age and physical weakness have struggled for decades for the cause of the liberation of the Chinese people and for the cause of socialism. They have been the party's backbone and have rendered meritorious services to the country. Today, they are still an important political force in our party and country's life. Although they have stepped back from the frontline, they continue to play their parts as long as their health permits. This is an important measure to maintain the succession and continuity of the party's leadership and to ensure the long-term order and security of our country. Only after they have shaken off their heavy routine work can they devote their time and energy to considering the overall situation of socialist construction and put forth suggestions and methods for handling matters involving the fundamental interests of the party and the country and for solving important problems of respective localities and units. For example, old comrades regard discovering and training young cadres as a matter of utmost importance. This ensures that fine young cadres will be selected and tempered better and mature sooner with the help of old comrades. Since the 3d Plenary Session of the 11th CCP Central Committee, some old comrades of the Central Committee have stepped lack to the second and third lines. They not only have been able to play their roles as usual but even better. Therefore, as long as comrades on the frontline truly respect old comrades who have stepped back to the second and third lines, try hard to provide even more convenient conditions for them than for cadres on the frontline and pay great attention to their rest and health, they will then be able to play a role in the party's cause which other people can hardly play.

What is most important at present is that leading cadres on the frontline of all departments and at all levels, cadres of administrative departments of leading organs and cadres who are in charge of the work of old cadres must have a thorough understanding of the importance of work in this respect and should never regard it as routine work. The bad work style of "snobs" in the old society runs counter to the fine tradition of respecting the old and worthy Chinese people and conflicts with our party's principle of respecting and showing consideration for old comrades. If we tolerate the existence of this kind of thought and work style in the revolutionary ranks, we are indulging a bad work style to corrode and disintegrate our ranks, sabotage the party policy for cadres and harm the traditional bonds of friendship among revolutionary comrades. Only if we put forth the question in this solemn manner in order to warn comrades who are tainted with harmful thoughts and work style and if leading cadres set an example and regularly inspect and give guidance to departments concerned, will it be able to earnestly improve the work of giving due consideration to old comrades who have stepped back to the second and third lines.

In order to effectively implement the principle of setting strict demands on cadres at their posts and taking good care of cadres who have stepped back to the second and third lines, we must also take necessary practical measures. Organizationally, we must continue to properly reorganize leading groups of all departments and at all levels according to the requirements of "three-in-one" and the spirit of being capable and keen-witted so that they can truly become leading groups which can lead others in a charge and which have a high quality and efficiency of work. Institutionally, we must actively establish a strict and scientific system of personal responsibility and, on this basis, give regular and realistic examinations to cadres in the light of achievements made by respective cadres and using the method of combining appraisals made by the masses and assessments made by the organizations. As far as policy is concerned, we must resolutely protect and support comrades who uphold the party's principles and policies and dare to bring forth new ideas, comrades who work with all their might and comrades who uphold principles and are not afraid of giving offense. This will make it harder and harder for those cadres who have neglected their duty and are irresponsible. Besides, we must set strict demands on party life, rigorously enforce the party discipline and state laws and resolutely change the lax and weak situation in organizational work. As to those who have seriously failed to fulfill their duty, who are derelict in their duty or who make use of their authority to seek personal interests, we should appropriately deal with them in the light of each specific case by criticizing them, transferring them to other places, demoting them, recording a demerit or giving them the severest punishment according to party discipline and state law. There should be rules and regulations mapped out by organizations at higher levels concerning political and everyday treatment of cadres who have stepped back to the second and third lines. Concrete requirements should also be made in departments in various localities. A system in this respect should be formed. If the strength of work organs serving old cadres is insufficient or too weak, we must send more people to strengthen them. The system of personal responsibility should also be practiced in these work organs in order to ensure that each comrade is duly taken care of. We must uphold principles and at the same time be reasonable.

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AN IMPORTANT QUESTION IN THE EMANCIPATION OF THE MIND

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[Article in "Ideological Comment" column by Shi Jian [0670 6015]]

[Text] Basically speaking, emancipation of the mind is the use of Marxism-Leninism-Mao Zedong Thought to examine situations and solve problems so that the objective and the subjective become one and thinking and reality conform with each other, that is to say, seeking truth from facts. However, this is not an easy thing to do. This is because when people examine new situations and resolve new problems they are restricted not only by the development of objective matters and the level of expression of these objective matters, but also by their own position and capacity for knowledge. It is obviously impossible for someone having lofty communist ideals and someone who is shortsighted and selfish to have the same understanding of the conditions and the problems involved in the construction of the four modernizations. Therefore, in the course of emancipating the mind, one also encounters the problem of remolding the subjective world.

Is this to say that we are again raising the slogan "ideological reform"? Since the founding of the PRC, our party has followed the development of revolution and construction in upholding its unity with and the teaching of intellectuals. Since 1951, with the beginning of efforts to reform thinking, the party has also called on intellectuals to adopt the methods of criticism and self-criticism and to carry out self-education and self-reform. Under the guidance of the party's policies of unity, education and reform, vast numbers of intellectuals have made great advances in their thinking. However, the growth of leftist thinking led us to adopt various mistaken methods in our work to reform the thinking of intellectuals. Because this led to many abuses, harmed many comrades and created very unfavorable effects, many people now react against the slogan "reform of thinking." At the same time the broad masses of intellectuals have already become a part of the working class working to serve the socialist cause. The practice of raising the slogan of "ideological reform" is liable to reactivate the bias some people feel against intellectuals and could lead to the revival of such mistaken practices as discrimination, infighting and arbitrary criticism. This would hinder the implementation of the party's policy toward intellectuals and damage efforts to arouse the socialist enthusiasm of the intellectuals. For this reason the party's Central Committee has neither raised the slogan "ideological reform," nor planned to use the slogan against either friends outside the party or intellectuals. This is undoubtedly correct.

Since our party has not raised this slogan, does this mean that there is no need for the broad masses of party cadres and people, including intellectuals, to bother with ideological reform? This is not the case. The decision not to raise this slogan has been made on the basis of the lessons of historical experience, and the need to promote both unity and our work in no way suggests that a Marxist-Leninist can discard the principle that everyone must carry out conscious ideological reform. Comrade Mao Zedong emphasized that "the struggle of the proletariat and revolutionary people to reform the world includes the fulfillment of the following tasks: Reforming the objective world and, at the same time, their own subjective world--reforming their cognitive ability and reforming the relationship between the subjective and objective worlds." ("Selected Works of Mao Zedong," Vol 1, pp 272-273) Every one of us must steadfastly uphold this irrefutable truth of Marxism. During his lifetime, Comrade Zhou Enlai would often encourage others and urge himself on by using the phrase "live until you are old, study until you are old and reform yourself until you are old." This reveals to us an important principle: Only by continuously reforming one's subjective world in the course of understanding and reforming the objective world will one be able to unify the objective and subjective worlds. This reform of the subjective world refers to ideological reform.

In actual fact, the emancipation of the mind and ideological reform are intimately connected with each other. The call for the emancipation of the mind made by the 3d Plenary Session of the 11th CCP Central Committee means that we must free ourselves from the fetters of leftist errors committed before and during the "Great Cultural Revolution" and the restrictions of the "two whatevers" and that we should return to the scientific path of Marxism-Leninism-Mao Zedong Thought. It means that we must oppose idealism and uphold materialism, that we should manage affairs in accordance with the objective rules and use Marxism-Leninism-Mao Zedong Thought to examine conditions and solve problems. It means that we should liberate ourselves from the vestiges of feudalism and the influence of bourgeois thinking, shatter the force of habit and the fetters of subjective prejudice, and establish a true proletarian stand, viewpoint and method. The opposite of this is what we have called the ossification of thinking. Ossification of thinking reflects an ideological condition that is severely restricted by metaphysics. It means being unable to see the differences and connections between things and unable to distinguish the development and changes in things. Extreme solipsism is when this ossification of thinking develops to the point where one expects the whole of humanity to follow one's own individual ideas, wishes and will. If such ossification of thinking and solipsism are to be smashed, the mind must be emancipated; that is to say, thinking must be reformed. It is in this sense that emancipation of the mind and ideological reform are interlinked. The emancipation of the mind contains rather than excludes the idea of reforming the subjective world.

At the same time, however, emancipation of the mind demands only that we break out of old and erroneous restrictions. It in no way suggests that all restrictions, even correct ones, should be done away with and that we should be able to say and think whatever we like without any restriction whatsoever. The emancipation of the mind we are advocating must at all times be firmly based on the foundation of the four basic principles. At present some of the people who wave the banner of emancipation of the mind are in fact advocates of bourgeois liberalization. Seeking to break away from the leadership of the party and the socialist cause, they directly violate the four basic principles. This goes to show how great the differences are between objective reality and their own subjective world. If with regard to such people we fail to carry out ideological reform, will it not be impossible to achieve true emancipation of the mind? It is perfectly clear that if we are to emancipate the mind, we must first of all uphold the four basic principles and then work ceaselessly to reform any aspect of our thinking that does not accord with the four basic principles. In this sense emancipation of the mind is interlinked with ideological reform. Moreover, such emancipation presupposes the transformation of one's own subjective world. It is impossible to talk of any emancipation of the mind if an individual either fails to take an active part in the practice of changing the objective world or, during the course of such efforts to change the objective world, neglects to pay attention to transformation of their own subjective world. To put it mildly, for people who have such an attitude, emancipation of the mind is nothing more than idle talk; or, put more harshly, such people are merely selling their own contraband goods under somebody else's banner.

The problem at the moment is that many comrades, including some leading cadres, lack any consciousness of self-reform. They become extremely resentful and contrary as soon as anyone mentions reform, criticism or self-criticism. This only goes to prove that as far as these comrades are concerned there is an even greater need for reform, criticism and self-criticism. Comrade Mao Zedong once modestly said, "As to myself, I used to have all sorts of non-Marxist ideas, and it was only later that I embraced Marxism. I learned a little Marxism from books and took the first steps in remolding my ideology, but it was mainly through taking part in class struggle over the years that I came to be remolded. And if I am to make further progress, I must continue to learn; otherwise I shall lag behind." ("Selected Works of Mao Zedong," Vol 5, pp 382-383) While Mao Zedong had made a great contribution to the revolutionary cause, he still recognized his own need for continuous reform and study. So how can cadres at any level, all of whom are the students of Comrade Mao Zedong, possibly say that there is no need for such reform? The fact that Comrade Mao Zedong made some mistakes in his later years merely goes to show that every revolutionary must follow these words.

However, some comrades are still unwilling to reform themselves even though it is perfectly clear that their own subjective world is divorced from the objective world, that their own ideas, positions, views and writings are both different from or even divorced from revolutionary practice and do not suit or may even run counter to the demands, wishes and will of the masses. This is obviously a case of people sticking to their old views, methods and experiences, even though conditions have changed and history has advanced. How can such an ideological condition possibly suit the needs of socialist modernization? How can it suit the glorious mission of our party? While we are not able to raise again the slogan "ideological reform," we must at no time slacken our efforts to reform our subjective world. In carrying out our remolding of the objective world we must raise our consciousness of self-reform and work ceaselessly to reform our own subjective world. The only correct attitude is one that unites these two in both understanding and practice.

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ON THE QUESTION OF ACHIEVING GREATER INVESTMENT RETURNS

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[Special commentary by Song Shaowen [1345 0508 2429]]

[Text] At the 4th session of the 5th NPC, Comrade Zhao Ziyang suggested a new road of development which really conforms with our country's actual conditions and advocates a relatively dependable rate of development that can produce comparatively good economic results and from which people can derive fairly substantial benefits. He pointed out: "It is a pivotal point that we must, by thousands of ways and means, upgrade the economic results from production, construction, circulation and other sectors." Herein, I propose to discuss the question of achieving greater investment returns.

I

Since the founding of the PRC, our accomplishments in economic construction have been enormous, but the losses from extravagance and waste have also been startling. There has been much disparity between the degree of improvement in the people's standard of living and the amount of their labor contributions. According to statistics from the State Statistical Bureau, of the construction investments made from 1950 to 1979, only 70 percent have been formed into fixed assets, of which there is still a portion which is unable to perform its role or which has not yet formed any productive capacity. In other words, a large amount of investments have been wasted. In 1980, the value of the country's industrial fixed assets increased by 26 times over that of 1952, the year when the nation had just completed its economic recovery, but the gross industrial output value increased by only 14.5 times. According to a preliminary estimate, it was found that on the basis of the average figures over the years, the proportion of industrial fixed assets which could accomplish normal production results was only 70 percent of the whole. From 1957 to 1980, the gross industrial output value derived from each yuan of industrial fixed assets dropped year by year: in 1957 it was 2.88 yuan; in 1970, 1.78 yuan; in 1975, 1.4 yuan; and in 1980, 1.2 yuan. The amount of gross industrial output value derived from each yuan of industrial fixed assets in 1980 was 41 percent of that in 1957. As for the amount of profits and taxes derived from each 100 yuan of fixed assets, the average for the "fifth 5-year plan" period was only 35 percent of that for the "first 5-year plan" period. All this illustrates that in return for the labor input of the people (materialized labor and living labor), the volume of income and products derived has greatly diminished. In other words, with double the effort only half, perhaps less than half, of the result was achieved, and 2 yuan now are not worth as much as 1 yuan before. This represents the most gigantic waste in the economic life of our country over the past 20 years. If the investment returns could match those during the "first 5-year plan" period, industrial production in 1980 would have been twice as high as what was actually accomplished.

II

There are many causes for this serious waste and poor returns in the investment sector. Basically, they were inseparable from the "leftist" guiding thought in economic construction over a prolonged period of years. I believe that a concrete analysis will reveal the following three major factors:

First, faults in strategic decisionmaking and construction policy. Since 1958, the economy has undergone vast and catastrophic changes, all of which can be ascribed to blindly striving for a high rate of development. A dependable growth rate must be built on a foundation of the actual productive forces available. Blindly striving for a high growth rate will necessarily expand the accumulation rate and lengthen the capital construction front. For example, the blind call to double steel output made it necessary to launch a big steel-refining campaign while striving to realize an annual steel output of 60 million tons had to be followed up by the building of several large iron and steel bases. Similarly, seeking the early realization of the four modernizations has brought in its wake many projects which required enormous efforts and early completion, besides the importation or introduction of numerous new projects. Indeed, careless decisionmaking on big and important construction projects makes it difficult to handle many of them well, and a faulty construction policy can bring about serious consequences. For example, the anxiety for the early realization of agricultural mechanization, and the call to the various provinces, municipalities and autonomous regions to form separate systems of their own to achieve this purpose, have brought about the building of countless agricultural machinery plants in a blind manner and have caused over half of the production capacity to lie idle. Actual practice has shown that a definite speed can be achieved only through man's subjective wishes corresponding to the objective laws and the exertion of subjective efforts. Blindly chasing after speed, like the foolishness of pulling up the roots of a seedling plant to help its growth, is not only useless but harmful. Seen from the experiences of the first 5-year plan, the industrial production growth rate for any one fiscal year depends on the newly added production capacity of the same year to the extent of only a few percent. This is rather limited and any attempt to exceed this objective possibility will bring about catastrophic fluctuations and punishing results. Indeed, on this score we have learned very painful lessons.

Second, in reality since 1958 we have not had in force a medium-term or long-term plan. Investments under the yearly plans were made more or less according to the circumstances of the moment. They were merely strategic arrangements, whereas considerations for long-term planning, for taking the whole situation into account and for achieving an overall balance have been sadly lacking. As a result, a disproportion was created between accumulation and consumption, between the various departments of the national economy, and between the industrial and communications departments. The iron and steel and machine-building industry departments for a time became long lines [a glut or oversupply of products] (within the departments themselves, there were both long lines and short lines [products in short supply]), while departments handling energy, communications and transportation, education, light industry, forestry and construction of public utilities in cities and towns became short lines. Conversion from long line to short line is difficult while the opposite is time consuming. Seen from the experiences of the first 5-year plan, a fixed rate of development will bring prosperity to the national economy, improve the people's standard of living, and make the people happy. Otherwise, there will be vast fluctuations in capital construction and often the construction period is unduly extended. For example, in the first 5-year plan period, for large- and medium-scale projects the construction period averaged about 6 years each, but in the fifth 5-year plan period, it was increased by 12 years and the construction cost was doubled, thus wasting a lot of money. This deeply affected the improvement of the people's standard of living and caused great difficulties to current economic readjustment work.

Third, the irrational economic management system which encourages the demarcation of separate units, each with a system of its own, has been responsible for the waste of much valuable capital through extravagant and wasteful expenditures on duplicate construction, duplicate scientific research and duplicate importation of foreign technology. As a result, on the whole, little net production results have been achieved. Indeed, there are many problems in this respect, particularly concerning the metallurgical products processing industry and the agricultural products processing industry. For example, there are in the country some 192 plants turning out internal combustion engines for agricultural use. They are distributed throughout 167 cities and towns. Currently, their production tasks take up only half of their production capacity, but some of the departments are still insisting on expanding their production capacity and are busy on new building and expansion work. Again, from 1972 to 1978, the production of machine tools yearly exceeded the production plan by about 100,000 units. In 1979, the excess production was 43,000 units and in 1980, nearly 40,000 units. Most of them were bought by enterprises run by communes or production brigades. By the end of 1980, the number of machine tool units owned by the collective enterprises was well over 700,000 (surpassing the total number of units in the whole country in 1965), making up one-fourth of the total number of units in the whole country. However, most of these collective enterprises were duplicative in nature. In regard to the agricultural products processing industry, there has been a large increase of small textile plants, small wineries, and small cigarette plants. As a result, many abnormal phenomena have appeared, such as competing for raw materials and for markets, the small squeezing out the big and plants producing substandard goods replacing plants producing good quality products, and so on. Much money has been wasted in this fashion.

Many other causes have branched out from the three above-mentioned main causes and have led to much extravagance and waste. Fairly outstanding among them is the failure to observe the capital construction procedure. Normal capital construction procedure should be as follows: (1) Several comparative plans must first be prepared for deliberation. In preparing these plans we must first do the necessary investigation and research and subject the plans to technical and economic comparison and analysis. (2) Following repeated deliberation and discussion, and also taking into account actual need and possibility, a workable plan should be selected. (3) Prospecting, surveying and planning work should then proceed on the plan selected, and in the course of the planning consideration must be given to the possibility of supplementary and accessory construction work both inside and outside the plant. (4) Under the logical premise of this preliminary preparation work having been completed well and after having made sure that the plan is in accordance with the principle of overall balance, consideration may then be given to its inclusion into the medium- and long-term plan. (5) Planning will next proceed on the work in accordance with the capital construction plan. The planning should specify details of the construction work in time periods and stages so as to ensure that the project will be completed and put into operation on schedule. The capital construction procedure is in reality an organic whole. Poor work done on any of its parts will cause enormous losses and extravagance. For this reason, it is entirely correct that careful research has been done on extra-large projects such as the plan "to carry water from the south to the north," the water conservancy work at the Changjiang River gorges, and others. In the past, in carrying out many construction projects, preliminary preparatory work was frequently neglected. In some cases, even before the resources and the geological data of the locality had been ascertained, hasty decisions were made on the plant location and on planning and work procedure, and construction actually started. The idea seemed to be to do the planning along with actual construction in progress, to make on-the-spot revisions, to make repeated changes, and to engage in construction work on a stop-and-start basis. The results were that when problems arose, they had already become very serious. The construction period had to be extended and the investments increased repeatedly. Some of the projects eventually had to be abandoned. It could be expected that the larger the projects involved, the greater the losses and extravagance. The project on piping natural gas out of Sichuan Province is a case in point. In addition, there were many capital construction projects in which the internal and external parts could not form a whole, or which could not form any productive capacity or could not be put into production. There were also cases in which the management was in great disorder and could not carry out construction work according to a scientific work procedure, thus causing the abnormal situation of a large number of construction workers drawing their pay regularly, but actually not having any work to do. There are, of course, many causes which can lead to the extension of the construction period, or to the poor quality of the economic results, or to doubling the time required for the full recovery of the investments, but seen from the standpoint of management organization, the failure to abide by the capital construction procedure has been a major cause. We must indeed rectify the above-mentioned defects.

III

In connection with the three major causes mentioned above, I believe that there are at least three basic measures to improve investment results:

The first measure is to do the utmost to avoid errors in strategic decision-making and the construction policy. Since the 3d Plenary Session of the 11th CCP Central Committee, and particularly since the sixth plenary session's correction of the effect and influence of the "leftist" guiding thought, everybody has considered that the evil wind of blindly seeking high targets and enlarging the scale of capital construction at will has become a thing of the past. However, in order to basically avoid repetition of the errors of giving blind directions, we must still seek protection from economic legislation and from the improvement of the system itself. (1) In regard to strategic questions and questions of important economic construction policy-making, we must first carry out full investigation and research work on the topic involved. The principle of "without investigation there is no right to speak" must be thoroughly implemented. A minority must not be allowed to make decisions. Socialist democracy must be encouraged and developed, and the system itself must give it due protection. Important policy-making problems concerning especially large projects, such as "Baoshan steel" and several other important production projects, should first be carefully scrutinized by technical and economic experts. After repeated deliberations, the experts should present plans for comparison. The projects should then be submitted to a larger circle of people for democratic discussion, following which the leadership should make a decision from the options and select one of the projects. This will ultimately be submitted to an organ of the people's representatives for appraisal and approval. (2) All those in charge of the discussion and deliberation work, including the leadership cadres and the approving organ, should implement the responsibility system and should bear a suitable responsibility for the accuracy or inaccuracy of the decision made. This will rectify the situation of nobody being responsible for incorrect decisions.

The second measure calls for greatly strengthening planning work and the compilation of a medium- and long-term plan which can generally reflect objective economic laws. This aims at bringing into full play the superiority of a planned and proportionate development of the socialist economy. This also aims at utilizing well all construction investment funds, including those already included in the budget and those outside the budget. As for the construction projects, the measure will endeavor to make suitable arrangements for ensuring that both heavy and light projects, urgent and not so urgent projects, and the number of projects in each category are considered. This will include consideration of the necessity and feasibility of the projects. This is an important matter having a bearing on the rate of progress of our country's four modernizations and constitutes the pivotal center of the medium- and long-term plan. (1) All construction funds, be they within the budget or not, regardless of to what level or class they belong and regardless of whether they are for technical restructuring and equipment renewal or for new building and expansion, must be subject to an overall appraisal and unified arrangements. (2) In the case of construction projects, including the many projects requiring technical restructuring work, we must rigidly stipulate the proportion of gross investments to be allocated to those projects, the schedule for completion and handing over of which is 1 year, 2 years, or 3 years. It may be worthwhile to stipulate in the 5-year plan that those projects which will be completed within 3 years should constitute not less than 70 percent (on the basis of the funds involved), while the percentages occupied by the 1-year and 2-year projects should also be stipulated. These stipulations should have legal effect and should be subject to rigid checking in order to ensure their observance. During the first 5-year plan period, the 36 large and medium-sized projects completed, including the three large power plants in Harbin, a number of coal pits each with an annual capacity of 600,000 tons, and 300 km of major railroad tracks all had a construction period of less than 3 years, while the construction period of a large number of large- and medium-sized fuel-power stations and textile mills was also under 2 years. Current conditions might differ somewhat from conditions at that time, but after rigid and down-to-earth reorganizational work, we should be able to do just as well now as before. (3) In particular, we should be extremely careful in tackling the specially large projects (items involving investments of billions of yuan), because once work is started on them we must carry on until they are fully completed. This might require 8 to 10 years, during which time the state must continuously provide the investments without getting any immediate returns. During the first 5-year plan period, among the large projects, besides the Anshan Steel Works (investments in which from 1949 to 1959 were 3.09 billion yuan) and a small number of other extra large projects, the majority required an investment each of 200 to 300 million yuan. At present, the investments in the so-called "large" projects have been continuously increased, and projects requiring investments of several hundreds of millions of yuan are so numerous they are hardly worth noting. But this does not help at all in upgrading the investment results. We should have a mixed grouping of large, medium-sized and small projects and should not blindly strive for something big or foreign.

The implementation of the medium- and long-term construction plan and organizational plan must be based on a solid foundation of making a complete summary of past experiences, reorganizing the capital construction system, and formulating and rigidly enforcing capital construction legislation.

The third measure calls for combining the enthusiasm and planning work of the localities and the central departments. Blind efforts should be avoided as should useless investments such as those in duplicative construction, duplicative scientific research, and duplicative importation of foreign technology and capital. To achieve this objective, we must basically accomplish the following: (1) We must determinedly implement the policy of treating the whole nation as a single chessboard. All construction projects with a bearing on national equilibrium, including those of technical restructuring and those calling for "tapping potential, renovating or restructuring," regardless of their size, must be carried out under a national unified plan and be subjected to overall planning, and classified according to industry or trade and according to the category of its products. The readjustment of industries in central cities and towns should likewise be implemented under the guidance of a national unified plan. (2) As for those industries and trades which, viewed on a nationwide basis, already possess excess production capacity, we should, based on the principle of achieving an overall balance but taking into account the conditions of each case, proceed to have some of them closed, suspended, merged or shifted to other industries or trades. We should not continue with the former practice of ignoring the overall situation, lopsidedly stressing local needs, and blindly filling gaps or actually undertaking expansion under the pretext of technical restructuring. (3) We should reinforce our planned guidance over the industries run by the communes or production brigades. At the present time, enterprises run by the communes or production brigades have large amounts of funds in their hands. Viewed from the situation as a whole, if these funds are not put to proper use, they will be wasted and serious consequences might result, such as competing with the backbone enterprises for raw materials and for energy supplies and adversely affecting the production of the original enterprises. As already mentioned above, we should especially note the effect on the metallic products processing industry and the agricultural products processing industry. In a word, we must clearly stipulate how to use and how not to use funds belonging to the central and local departments, or to the enterprises, or to the communes and production brigades. Only in this way can we achieve the objective of each being provided for and avoid wasting money or wasting much money.

IV

It is indeed a difficult and complex task to achieve greater investment returns, to obtain 1 yuan's worth for every yuan spent, and to go a step further and realize the ideal of "spending less but accomplishing more."

In order to realize the above-mentioned objective, first of all, the whole party from top to bottom must be of one mind, strictly following Mao Zedong Thought in all their activities. Based on the concepts of "serving the people" and "categorically working for the people's interests," in undertaking any activity we should pay due regard to the situation as a whole. If there occur contradictions between partial interests and the interests of the whole, the interests of the whole should come first, and when there is conflict between current, or temporary, interests and long-term interests, long-term interests should take precedence. Only by having our thought smoothly adjusted will it be possible to handle well problems such as whether a project should be undertaken, whether it should be expanded, whether it should be closed, or whether it should be shifted to another industry or trade. In this way we can rationalize the investment structure to the fullest extent. Second, during the period of further readjusting the national economy, the enterprise control system must be appropriately reorganized. We must alter the current divided state of there being a multitude of systems in force which hamper each other. We must put the system and the organizational structure in smooth running order, so as to facilitate overall planning and overall arrangements. In this way, the various localities, departments, industries and trades can fully display their enthusiasm.

The socialist system possesses an unparalleled superiority over the capitalist system. The situation of enormous waste, low economic results, and the improvement in the people's standard of living not being in keeping with their labor input is by no means an inherent law of socialist economy. If only we can thoroughly rectify the old methods derived for a prolonged period from the guidance of "leftist" thought, greatly promote investigation and research, and earnestly do our work well, then it is certain that we can make good use of our funds and march on a new road toward higher investment returns.

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THE REORGANIZATION, REFORM AND REVITALIZATION OF CHINA'S MACHINE BUILDING INDUSTRY AS SEEN FROM SHANGHAI

Beijing RED FLAG in Chinese No 3, 1 Feb 82 pp 24-28

[Article by Zong Tang [1350 2768]]

[Text] Not long ago I joined a factfinding group of the State Machine Building Industry Commission and visited more than 60 machine building plants and research institutions in Shanghai. As seen from the situation in Shanghai, the 10 principles for economic construction put forth by Comrade Zhao Ziyang at the 4th session of the 5th NPC have great guiding significance for reorganizing, reforming and revitalizing the machine building industry in our country.

Be Good at Making All-Round Arrangements and Dare To Make Major Breakthroughs

Comrade Zhao Ziyang pointed out that carrying out technological reform and equipment renewal in existing industrial and communication enterprises is a key issue for the smooth development for our economy. In order to carry out technical reform, it is imperative to have general planning, while various enterprises must have their own concrete requirements. This work must first of all be carried out in industrially advanced key cities and a number of key enterprises by stages and in groups.

Thanks to the efforts made over the past 32 years, our machine building industry has developed from small-scale to large-scale, from assembling to manufacturing, from copying to designing, and from making single machines to making complete sets of equipment. It has made rapid development and has provided our country with an enormous amount of technical equipment and mechanical and electrical products for daily use. Taken as a whole, our machine building industry has basically formed a material base for providing various kinds of technical equipment for our country's modernization program. Our task is, through reorganization and reform, to enable the industry to give play to its strong points and overcome its weak points so that it will be able to develop vigorously and make contributions to the modernization program. Reorganizing means that it is necessary to follow the principle of coordination among specialized departments, organize coordination in the production of parts and in technology, and form a rational production system.

Reforming means reforming technology and equipment, speeding up the improvement of product quality and renewal. The purpose of reorganizing is to solve the question of rationalization in production while that of reform is to solve the problem of technological modernization. They complement each other and develop simultaneously. It is a very complicated task, and therefore it is necessary to work out unified plans and make all-round arrangements so that various trades, departments and localities will be able to play their proper roles and promote each other. It is also necessary to grasp well the production of certain key products and the tasks in certain key cities, concentrate our efforts on solving one problem after another so as to make major breakthroughs, use the experiences of selected units to promote the work in the entire area and maintain a harmonious development.

Shanghai is the greatest coastal key city of our country and its machine building industry has many features. First, it has greater output value, accounting for one-sixth of the gross output value of the national machine building industry. Second, it has a better technical foundation and better quality products with more varieties. Third, it has fairly complete departments with better conditions for coordination. Fourth, it has stronger adaptability and digestive capacity. Fifth, it has better management and economic effects. For example, the fixed assets of the system of Shanghai's No 1 Bureau of Mechanical and Electrical Industry make up about one-eighth of the system of the First Ministry of Machine Building Industry, but the output value of this bureau comprises more than one-quarter, the profits handed over represent almost one-third, and the profits made in 2 years equal the original value of the bureau's fixed assets. The annual output value for 100 yuan of fixed assets of Shanghai's Instruments and Telecommunications Bureau is as high as 995 yuan, almost 5 times the national average level, and the profits made in 1 year equal the original value of the bureau's fixed assets. The profits handed over to higher authorities by these two bureaus over the past 3 decades and more is 24 times the amount of state investments. Of course, the city has disadvantages such as overpopulation, and its machine building industry must not be developed excessively. These problems also exist in Beijing, Tianjin, Shenyang and other key cities, but to different degrees.

Therefore, in my view and under the premise of unified planning and overall arrangements and under the condition that no new factories are to be built, we must be bold in letting Shanghai and other key coastal cities give play to the advantages of their technology, get ahead of the rest, and turn out products that require intensive technology and that are export-oriented, so that they will be able to promote vigorously the development of the whole machine building industry and make preparations in materials and technology for the further development of our economy. Consequently it is necessary to readjust and restructure guiding ideology, general planning, the organizational system, and policies and measures.

Technological Reform in the Machine Building Industry Must Start With Transforming the Structure of Products

The problem of how technological reform in the machine building industry in our country should be started is yet to be fully resolved.

Some people hold that although the number of machine tools owned by our country's machine building industry ranks second in the world, most of the machinery is outdated and was manufactured in a rough and slipshod way, and only one-third of it can really play its proper role. Therefore, these people suggest that technological reform of the industry must start with renewing equipment.

Others hold that the technology of our machine building industry, particularly the technology in mass production, is too backward. Therefore, they suggest that technological reform must start with making innovations in the work process.

Still others hold that the current main contradiction in our machine building industry is that the technology of products is too backward and it cannot meet the needs of the people's livelihood, economic construction and expansion of exports. Therefore, they suggest that technological reform must start with transforming the product structure.

My view is that all the above-mentioned problems really exist and they are closely related to each other. With regard to a unit, technological reform must be carried out according to specific conditions. It must start with the weakest link; it cannot be carried out indiscriminately.

But taken as a whole and compared with the world's advanced level, our machine building industry lags behind in many aspects such as variety, quality, complete sets and services. It is true that we have made great achievements over the past 3 decades, but the quality of many mechanical products is low, the varieties are too few, the products are mainly not in complete sets while the related services are too backward. We will neither be able to revitalize our machine building industry nor to realize the socialist modernization program unless we are determined to completely solve these problems through consolidating the foundation, upgrading standards, sparing no efforts in producing complete sets of products and stepping up services.

How do we solve these problems? My view is that we must solve the problem of backwardness of our equipment and technology. But the most important thing is to solve the backward nature of our products so as to solve the problem of adequately serving the people. Technology and equipment are means or methods, while our purpose is to manufacture good products. The principle of technological reform should be: to proceed from improvement and renewal of products through substitution, by means of reforming work processes and renewing equipment so as to reach the goal of producing high-quality products at low prices. According to the demand for products, work processes that are not reformed must be reformed and equipment that is not renewed must be renewed. If we spend a lot of money on technological reform and equipment renewal and still cannot manufacture quality products, then we are just shooting an arrow at a nonexistent target and putting the cart before the horse. Consequently, the more we carry out such technological reform, the more our country will lose.

An analysis made by the First Ministry of Machine Building showed that of the total existing mechanical products across the country, only 5 percent have the technology that equals the level of the 1970's. The amount of products with 1970's technology in Shanghai, which has a higher technical level, only makes up 10 percent while the remaining 90 percent are of the 1960's or the 1940's and the 1950's. Most of these products are characterized by poor structure, low efficiency, high consumption of energy and materials, and short life-span. For example, the "Shanghai" limousines are of poor quality and have high gasoline consumption. The car consumes 13.5 kl of gasoline per km, 4 kl more than the gasoline needed by similar cars made in West Germany. This means that the car has to consume 12,000 kl more fuel to cover a distance of 300,000 km, with 7,400 yuan in fuel costs. Our internal combustion engine consumes 10 to 20 grams more gasoline per hph than a foreign one, and if we use the annual production of the engines in Shanghai as the basis, this means that we have to consume about 60,000 tons more gasoline a year. Our thermoelectric power generating units consume 5 percent more coal than foreign ones, their quality is unstable, stoppage rate is high and regulating efficiency is low. We have to work harder before the units we produce are safe, stable and able to operate at full capacity. The average heat utility rate of our industrial boilers is 20 to 30 percent lower than that of foreign products, while the efficiency of our water pumps, air blowers and other products is 5 to 10 percent lower. Therefore, if we do not work hard to improve product quality and if we renew old equipment for backward products, we will not only be unable to realize the modernization program but will also lag further behind the world's advanced level.

The key to improving product quality is to step up research and development. We must transform old products, study and turn out new products, and study and predict the products of the new generation. In maintaining their competitiveness and in order to survive, foreign enterprises are spending a lot of money on research and development of new products. According to the Japanese Hitachi Company, if an enterprise spends 1 percent of the total sales of its commodities on research and development, this enterprise will fail. It will be able to just survive if it spends 3 percent. It will be able to compete with 5 percent and develop with 8 percent. The situation in other countries is almost the same. What about our enterprises? The research and development costs of the Shanghai electronics industry were maintained at a little more than 2 percent of the total sales in the past many years and they were increased to 6.85 percent in 1973. But this figure has continued to drop over the past few years: it dropped to a little more than 2 percent, then a little more to 1 percent and at last to below 1 percent. Over the past 20 years and more, the research and development costs for the "Shanghai" limousines have been maintained at 0.4 percent of total sales. The state has stipulated that the dozen machine building plants in Shanghai with expanded decisionmaking power can only put aside 3 percent from profit retention for production development funds. The funds are used for the nine major items, and only 8 percent are used in research and development on products. This figure is less than 0.1 percent of the total commodity sales. If this situation continues, our enterprises will not only be unable to develop new products but will also be unable to improve old products. Consequently we will not be able to solve the problem of the "fixed 20-year system" for mechanical products.

A certain amount of money is needed in stepping up research and development work in our machine building industry. If we calculate the costs of this work on the basis of 1 to 2 percent of total sales, several hundreds of millions of yuan are needed each year. Part of these costs are included in production costs. For the remainder, the industry depends on the state to set up special funds for research and development. It is understood that during the economic readjustment period our country is faced with financial difficulties. But my view is that with financial difficulties, it is even more important for us to use the limited money properly. Since we are able to allocate tens of billions of yuan each year for capital construction, why can we not allocate several hundreds of millions of yuan for research and development, which is more important than capital construction? As Marxists, we must be able to see even farther into the future and we can no longer hesitate in this matter.

Be Determined To Promote the Production of Basic Components and Basic Machinery

Comrade Zhao Ziyang said that we have to conserve our strength during the sixth 5-year plan so that we will be able to form a better foundation for further carrying out technological reform in our national economy during the seventh 5-year plan.

One of the most important tasks for our machine building industry during the sixth 5-year plan is to form a solid technical foundation.

An important reason for the low quality of our mechanical and electrical products is that our basic mechanical products and electronic components are poor in quality. Another reason is that the quality of our basic machinery is low. We have a large quantity of machinery, but it is characterized by low quality, low precision, low speed and high noise level. In particular we lack some key precision machine tools, such as digital control machine tools, and consequently we cannot produce high-precision parts. We also do not have enough precision measuring and testing apparatuses to check the quality of processing. An old saying goes that in order to attain a good result in one's work, it is necessary first of all to use good tools. It is true that with low-quality basic machinery we are still able to produce some quality products, but we cannot mass-produce them, and this is our weakest point.

Without good-quality basic components and basic machinery we will not be able to improve the quality of our mechanical products and we will lack a technical foundation for renewing the products. Therefore, we must be resolute in making use of the readjustment period and manufacture quality basic components and basic machinery so as to form a basic technical foundation. In order to improve the quality of basic machinery parts, I suggest proceeding from improving the quality of such products as hydraulic parts, sealing parts, oil inlets of oil pumps, low-voltage electrical products, bearings and gears. We must work hard to improve the reliability of our electronic products to minus 7 grade. With regard to basic machinery, I suggest producing or improving the quality of 30 types of precision machine tools and 10 types of digital control machine tools. At the same time, we must also solve the problems of precision measuring and testing apparatus.

In order to produce improved quality basic components and basic machinery it is imperative to organize scientific and research work in a big way so as to master advanced technology. The experiences in organizing the work for mastering the advanced technology for the nine major items of equipment in the 1960's have been very good. We must proceed from the features of each product, organize organically the technical strength of scientific and research units, colleges, factories and enterprises, form technical responsibility systems and assign people who have a certain amount of decisionmaking power to be responsible for technical matters. This work must be started by studying basic theory, then studying basic materials, basic work processes and basic components. It must be started by studying advanced technology, then carrying out production, reorganizing specialization and technological reform so as to create production capability and make achievements. If we can do these tasks for several years, we will be able to form a good technical foundation.

Do a Good Job in Importing Technology and Increase Self-Reliance

Comrade Zhao Ziyang said that we must, by displaying our own advantages and through international exchanges, make up for our shortcomings and increase our self-reliance.

Over the past 2 years, the Shanghai machine building industry and electronics industry has imported a dozen small, individual technical items. The city has mainly imported individual technical items. It has also imported some major equipment and measuring and testing apparatus. There are differences between imported large and complete sets of equipment and imported small and individual technical items. First, they require less money. The average cost of the 11 items that have been put into use by Shanghai's No 1 Mechanical and Electrical Bureau is $450,000. Second, such items can be put into operation faster. The import of such individual items of technology is carried out by making full use of the existing factories and without having to build new ones. The small items are able to begin production in 6 months to 1 year, medium-sized items in 1 to 2 years, and the bigger ones in 2 to 3 years. Third, the results are better. With such items it is possible to improve quality, save energy, decrease the consumption of materials and decrease costs, increase profits, shorten the period for the study and production of new products, promote the transformation of old products, decrease imports, expand exports, open up more channels for selling and improve the vitality of enterprises. The Shanghai No 17 Radio Factory imported from Sweden manufacturing technology and key equipment for producing diodes at a cost of $110,000. The equipment was put into operation just 40 days after it arrived. The percentage of products up to standard increased from 75 to more than 95 and production capacity increased by 6 times. The factory also saved 80 percent on premises and 90 percent on energy. As a result, the cost of the diodes dropped from 90 cents to 50 cents. In a matter of less than 6 months, the factory was able to recover all its investment. The Pengpu Machine Building Plant was trying to manufacture

320-hp bulldozers, but it failed after 2 years of effort. It then imported technology and key parts and in a matter of 1 year began to manufacture products up to standard with sales prices 50 percent lower than foreign ones. All the products for this year have already been ordered.

In order to do a good job of importing individual items of technology, it is necessary to do a good job in division of labor so as to prevent duplication in importing technology. The most important thing is to select a good factory site. If we build a new factory without selecting a good site and without the ability to absorb technology, we will be bound to fail.

It is likely for places with a better technical foundation and stronger absorbing ability that the importation of small and individual items of technology will enable them to drastically reduce the gap between our level and the world level. But foreign capitalists are not willing to let us see their newest technology. Therefore, in order to scale the summits of technology, we must rely on our own efforts. We must oppose the idea of one-sidedly understanding the meaning of self-reliance and refusing new foreign technology; on the other hand, we must oppose the illusion of relying on the strength of foreign countries in realizing our modernization program. Modern science and technology are common results of the wisdom of mankind throughout the world, and the general law in the development of science and technology is that all countries must learn from each other's strong points and promote each other. An outstanding engineer must be good at absorbing new foreign technology so that he will save time by not starting from the beginning. He must be good at absorbing another's strong points to make up for his weak points and to improve his ability. On this basis, he must step up research and development work so as to reach the world's advanced level. In my view, this is the true self-reliance we need. With $100 million to $200 million a year, we will be able to import 100 to 200 individual technical items, and in one decade we will have 1,000 to 2,000 such items. On this basis, we can make thousands of such technical items by ourselves and these items will be very useful for improving the technology of our machine building industry.

Make the Machine Building Industry a Strategic Export Industry

I visited a number of machine building plants in Shanghai which produce export-oriented products. The conditions and technical level of these plants can still be improved. But I believe if we do our work seriously, the products of these plants will be able to enter the international market, while some might well surpass the general foreign level. Exports of these products is very limited at present, but I have the feeling that a single spark can start a prairie fire. Therefore, as long as we are able to do our work boldly and conscientiously, these plants will have bright prospects. But, based on some methods we are now using, we are not encouraging enterprises to spare no effort to expand their exports. On the contrary, we have covered their eyes to prevent them from understanding international market situations. Based on these methods, the more the enterprises export the more economic losses they will suffer. As a result, the workers' welfare will decline and the enterprises themselves will not be active in exporting their products. If the state regards Shanghai as a base for the export of machinery and helps transform and support the city's machine building industry, such exports will no doubt drastically increase.

Other key coastal cities have conditions similar to Shanghai's. If these cities are encouraged to "push outward" by exporting their products, they will be able to lead the whole machine building industry to march into the international market in breadth and depth.

The development of our machine building industry depends mainly on the domestic market. But, under current international conditions, it is important to pay attention to opening up the international market. In order to realize the modernization program, our country needs enormous foreign exchange. How can we obtain foreign exchange? In the past we pinned our hopes on oil exports and now we pin them on coal exports. But at present the supply of energy in our country is tight and consequently the development of the whole economy has been limited. Is there a better way in the future besides stepping up the exploitation of oil and coal? Japan has virtually no energy resources but its economy has been developing rapidly. In the early 1950's, the Japanese saw that they had the capability to produce sewing machines and ships for the international market. This increased their self-confidence. Consequently, they developed the machine building industry as a strategic export industry and concentrated their efforts on reorganizing, reforming and revitalizing the industry. Following 10 years of effort, Japanese mechanical and electrical products dominated the international market and earned an enormous amount of foreign exchange (now about $60 billion annually) and supported economic development. Compared with Japan in the 1950's, our machine building industry now has a greater capacity, is greater in scope and has more advanced technology. In addition, the wages of our workers are low. Therefore, our machine building industry has a certain competitiveness. If we are able to carry out technological reform and work hard for 10 years, we will no doubt be able to develop an advanced manufacturing industry, gradually expand our international market, obtain an enormous amount of foreign exchange for the state and step up our modernization program. It is more advantageous economically and technically, and easier to achieve results, to combine the advantages of resources, technology and labor power and expand processed products rather than just export resources. If several years later we are able to export 10 billion yuan of mechanical and electrical products annually, this figure will then be comparable to the export of 40 million tons of oil or 200 million tons of coal. Therefore, we have to use a certain amount of money for research-development and technological reform in our machine building industry, and these costs are much lower than those required to exploit oil and coal.

International competition will help develop the domestic market. We must make use of the motivating force of international competition to change our business thinking, improve our management, change our bad habits and laziness, improve the quality of our products, increase variety, improve our ability to produce complete sets of equipment and improve our services, so that our machine building industry will develop vigorously and our economy will develop as a whole.

Therefore, I suggest that the state must promote the machine building industry as a strategic export industry, consider the whole problem as an important task, take various effective measures, and open up a road for expanding the export of mechanical and electrical products. These tasks are of great significance in helping to accelerate our socialist modernization program.

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COMRADE LIU SHAOQI'S CONTRIBUTIONS TO MAO ZEDONG THOUGHT--STUDYING VOLUME 1 OF THE 'SELECTED WORKS OF LIU SHAOQI'

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[Article by Shi Zongquan [4258 0112 3123]]

[Text] Volume 1 of "Selected Works of Liu Shaoqi" has come off the press. The glorious image of a great Marxist and proletarian revolutionary appears again before us. During the long years of revolutionary practice, Comrade Liu Shaoqi steadfastly persisted in applying Marxist theory to creatively solve the concrete problems of the Chinese revolution. Volume 1 of "Selected Works of Liu Shaoqi" is the product of the integration of the universal principles of Marxism with the concrete practice of the Chinese revolution as well as the scientific summing up of the rich experience of the Chinese revolution. Regardless of whether in the harsh class struggle against class enemies both at home and abroad or in the complicated struggle over principles against the erroneous line and tendencies inside the party, Comrade Liu Shaoqi always stood on the side of the correct line represented by Comrade Mao Zedong. He made enormous contributions to the formation and development of Mao Zedong Thought and to the propagation and popularization of Mao Zedong Thought.

I

At the memorial service for Comrade Liu Shaoqi, Comrade Deng Xiaoping pointed out: Comrade Liu Shaoqi was a Marxist theoretician of our party and he was good at raising practical experience to the height of theory. "He made important contributions in both practice and theory to the building of our party, to the workers' movement in our country and to party work in the White areas. The theoretical viewpoints and ideological principles he advanced in these respects crystallized the experience accumulated by the party and the people in their heroic struggle over the decades and were a component of the scientific system of Mao Zedong Thought." The valuable works written by Comrade Liu Shaoqi during the period of the democratic revolution and compiled in volume 1 of "Selected Works of Liu Shaoqi" fully testify to the correctness of his theses. Comrade Liu Shaoqi contributed to the shaping and development of Mao Zedong Thought in many ways and also made unique contributions particularly in the fields mentioned by Comrade Xiaoping above.

First, in the field of party building, Comrade Liu Shaoqi was one of the outstanding leaders of our party. Regardless of whether working in the locality or the Central Committee, he always racked his brains and devoted tremendous energy to the work of building our party into a political party of the proletariat. He laid special emphasis on the building of the guiding ideology of the party and gave priority to raising the level of Marxist theory of the whole party. He pointed out that the revolutionary spirit of fearing no sacrifice and the work spirit of hard struggle of the Chinese Communist Party is very admirable, but in guiding ideology, the understanding of Marxist theory is inadequate, and this is one of the greatest weaknesses of our party as well as the subjective reason for the repeated setbacks suffered by the revolution in the past. "As long as this weakness is overcome, the Chinese Communist Party will have every assurance of leading the Chinese revolution to total victory." Therefore, "the advocation of theoretical study in the party has become very essential." ("Selected Works of Liu Shaoqi," Vol 1, p 220--only the page number will be given henceforth) He said that the mass line is not only a fundamental political line of the party but also an organizational line of the party and scientifically summed up the mass standpoints as: "Everything for the people, holding oneself responsible to the people, having faith in the people's ability to emancipate themselves and learning from the people." (p 354) He stressed that all the organizational work of our party must be closely integrated with the masses and that we must adopt a correct attitude toward the masses and use correct methods to lead the masses. He attached great importance to the self-cultivation of party spirit of the party members and raised party ideological construction to a new height. He pointed out: "The supremacy of the party's interests is the highest principle that must govern the thinking and actions of the members of our party." "Unhesitating readiness to sacrifice personal interests and even one's life for the party and the proletariat and for the emancipation of the nation and all mankind--this is one expression of what we usually describe as 'party spirit.'" "It is the highest expression of communist morality, of the principled nature of the party of the proletariat, and of the purest proletarian class consciousness." (pp 130, 131) He systematically summed up the historical experiences of inner-party struggle and suggested correct policies and methods for launching inner-party struggle. In the light of the leftist mistakes in inner-party struggle in history, he emphasized: "Inner-party struggles consist principally of ideological struggles." (p 179) He called for making a sharp distinction between educating the comrades who have made mistakes and struggling against the enemy. On the other hand, he also opposed the liberalist trend of giving up ideological struggle and pointed out: "Inner-party struggle is a struggle over principle," and strict self-criticism is the motive force advancing the progress of our party. (p 187) He also regarded the correct handling of the interrelations between the masses, classes, political parties and leaders as an important aspect of party building. These ideas of Liu Shaoqi's enriched Comrade Mao Zedong's theory on party building and fostered large numbers of revolutionaries and party members.

Second, Comrade Liu Shaoqi was for a long time an outstanding leader of our labor movement. He took part in the labor movement not long after he joined the revolution and displayed his revolutionary spirit of selfless heroism and outstanding leadership ability for the emancipation of the working class. He was one of the principal leaders and organizers of the Anyuan general strike, the Shanghai 30 May movement and the Guangzhou-Hong Kong general strike which shocked the country and the whole world. He was good at integrating the political task of the party with the immediate interests of the masses and stressed that in developing political struggle, attention must be paid at the same time to economic struggle. When summing up the experiences of the labor movement during the great revolutionary period, he pointed out that under the situation of the low ebb in the revolution, the economic struggle of the masses is at the same time a political struggle, and for the sake of "conserving the forces of the working class, it is imperative to pay special attention to leading the routine economic and political struggles of the workers." (p 35) In view of the shortcoming of not paying attention to setting up basic-level organizations and not developing party organizations in the trade union during the early period of our labor movement, he not only immersed himself with work in these two fields and made oustanding achievements, but he also summed up experiences in these fields and pointed out that only by setting up "a close-knit organization can the trade union fulfill its mission." (p 7) He paid great attention to the work of raising the consciousness of the workers. When criticizing leftist errors in the labor movement, he pointed out that everybody should be prepared to go and work wherever there are people. Such ideas as paying attention to the organizational role of the trade union, showing concern for the immediate interests of the workers and raising the consciousness of the workers, energetically advocated by Comrade Liu Shaoqi during the early period of our labor movement, are still of guiding significance even today.

Third, in the field of work in the White areas, Comrade Liu Shaoqi carried out an arduous and brilliant struggle in order to formulate and maintain a correct line for work in the White areas. Comrade Liu Shaoqi carried out the most resolute resistance and corrected the adventurist and dogmatic leftist errors represented by Wang Ming. He correctly analyzed the change in the balance of class forces after the great defeat of the revolution and proposed that the work policy in the White areas should give priority to defense and not offense; should take advantage of the legal status as much as possible in carrying out work and should not refuse to take advantage of the legal status; should strictly turn the open organization of the party into a secret organization in order to go deeply among the masses, carry out long-term concealment, conserve their forces and always be prepared to send their forces to develop armed struggle in the countryside and push forward the development of the revolution. He summed up the art of leadership for the mass struggle in the White areas and proposed that the slogans, demands and forms of struggle for developing mass struggle should be acceptable to the masses and should be based on the circumstances and conditions at that time and place and on the degree of consciousness of the masses. He advocated proceeding from reality, integrating the principle of struggle against the enemy with flexibility, taking full advantage of the contradictions among the enemy and winning over temporary allies to oppose the principal enemy. These policies and tactics formulated by Comrade Liu Shaoqi, together with Comrade Zhou Enlai's ideas concerning work in the White areas, constituted the basic theoretical principles of our party with regard to work in the White areas.

This is an important aspect of the valuable experience of our party as well as an important supplement to Mao Zedong Thought.

II

Comrade Liu Shaoqi was one of our party leaders who actively propagated Mao Zedong Thought. In his report on amending the party constitution delivered at the seventh party congress, Comrade Liu Shaoqi made an extremely penetrating and comprehensive summary and exposition on behalf of the CCP Central Committee regarding the contents and characteristics of Mao Zedong Thought, which enabled the whole party for the first time to have a more systematic and thoroughgoing understanding of Mao Zedong Thought. This had a far-reaching impact on the dissemination and popularization of Mao Zedong Thought.

Comrade Liu Shaoqi's summary and exposition regarding Mao Zedong Thought stressed the following points:

First, Mao Zedong Thought is the only theory and policy for saving China. After the Opium War, China had become a semicolonial and semifeudal society. The country was in dire straits and the people were extremely impoverished. People with lofty ideals continually stepped forward in large numbers to take the place of those who fell and endured great hardship to find the principle for saving the country and the people. Such theories as the parliamentary road, national salvation through industrialization, anarchism and guild socialism were unable to solve China's problems. "Only Marxism can save China." This is the correct conclusion obtained from history. However, finding the principle is not tantamount to being able to apply the principle, because Marxism is mainly "European in form" and very little has been written on the subject of China in the works of Marx and Lenin. "Moreover, the concrete road of historical development of the Chinese society is exceptional compared with the road of historical development of the societies of various European countries." (p 222) This required the changing of Marxism from the "European form" into the "Chinese form," or applying the stand, viewpoints and methods of Marxism to creatively solve the problems of the Chinese revolution. However, this point was not understood by the erroneous leftist and rightist leadership. In particular, the erroneous leftist leadership represented by Wang Ming made Marxism into a dogma, deified the Comintern resolutions and the experience of the Soviet Union and copied them indiscriminately. This tendency almost pushed the Chinese revolution to the brink of total failure. The Chinese communists, represented by Comrade Mao Zedong, waged a resolute struggle against the leftist errors and integrated the universal principles of Marxism with the concrete practice of the Chinese revolution. This enabled Marxism to take on Chinese characteristics and gradually evolve into a scientific system of guidelines suited to conditions in China. This is precisely Mao Zedong Thought. Under the guidance of Mao Zedong Thought, the forces of the Chinese revolution grew from small to big and from weak to strong and ushered in an unprecedented situation of victory. Comrade Liu Shaoqi said: "Historical events have shown that whenever the revolution followed the leadership of Mao Zedong and his theory of the Chinese revolution, it succeeded and developed; but whenever it departed from that leadership, it failed or had to retreat." Therefore, Mao Zedong Thought "is the only correct theory and policy to save China" and "the only correct theory and policy to guide the proletariat and all the working people of China in their fight for emancipation." (p 334)

Second, although Comrade Liu Shaoqi did not put forward the concept that Mao Zedong Thought is a crystallization of the collective wisdom of the Chinese Communist Party, he also did not regard the theory on the Chinese revolution as purely the personal thought of Comrade Mao Zedong. In 1941, he held that "some of the comrades in the party, especially those in the Central Committee, have a unified understanding of the Marxist theory and the historical development of the Chinese society." (p 220) In 1943, he again said: "The genuine Marxists in China are Comrade Mao Zedong and the many other comrades who have rallied around him. The line they have pursued and struggled for throughout the past years, and their methods of work, are, in essence, the Bolshevism of China." (p 296) In "On the Party" he said: The scientific theory on the Chinese revolution can only be "created by the representatives of the Chinese proletariat," "of whom the greatest and most outstanding is Comrade Mao Zedong." (p 333) Comrade Liu Shaoqi regarded Mao Zedong Thought as the thought of the Chinese Communist Party represented by Comrade Mao Zedong and truthfully reflected the objective process which led to the shaping and development of Mao Zedong Thought. What should be pointed out is: Not only is the shaping and development of Mao Zedong Thought a crystallization of the collective wisdom of the Chinese Communist Party, but the concept of Mao Zedong Thought also cannot be summed up as the product of any single mind. Regardless of whether it is Comrade Liu Shaoqi or other comrades, when advancing the concept of Mao Zedong Thought, they must not divorce it from the historical conditions of that time.

Third, Comrade Liu Shaoqi strongly stressed the necessity of using Mao Zedong Thought to unify the ideological understanding of the whole party and to root out all kinds of erroneous ideas, especially the influence of erroneous leftist ideas. Comrade Liu Shaoqi said: "In the course of our history we have suffered the most from errors that arose in the leadership of the revolutionary movement, which caused partial, sometimes serious, avoidable harm to the movement." (p 293) After the Yanan rectification campaign and the criticism of leftist errors represented by Wang Ming, the restoration of order out of chaos in guiding ideology could be described as initially completed. However, as the leftist errors had been dominant for a long time and had caused a great deal of harm in the party, their pernicious influence could not be rooted out within a short time. For the sake of enabling the party to make fewer mistakes and detours, it became imperative to unify the understanding of the whole party with Mao Zedong Thought. Therefore, Comrade Liu Shaoqi proposed: "The important task now is to mobilize the entire party to study and disseminate Mao Zedong's theory of the Chinese revolution, and to arm our membership and the revolutionary people with this theory, so that it may become a living, irresistible force." (p 337) Under the call made by Comrade Liu Shaoqi on behalf of the Central Committee, a movement to study Mao Zedong Thought quickly sprang up. With the whole party united under the banner of Mao Zedong Thought, a great victory was soon scored in the Chinese revolution.

Mao Zedong Thought is the correct theory for the Chinese people in carrying out revolution and construction as well as the spiritual wealth of our party. Comrade Liu Shaoqi had set a glorious example for us in adopting a correct attitude toward Mao Zedong Thought. In studying volume 1 of "Selected Works of Liu Shaoqi," we must uphold and disseminate Mao Zedong Thought with absolute sincerity in the manner of Comrade Liu Shaoqi.

CSO: 4004/23

WHAT ARE THE PROBLEMS THAT THE MARXIST THEORY OF CIRCULATION CAN HELP US SOLVE?

Beijing RED FLAG in Chinese No 3, 1 Feb 82 pp 32-34

[Article in "Theoretical Study by Cadres" column by Lin Zilin [2651 1311 0500]]

[Text] Over the past year, the broad masses of cadres have achieved excellent results in their study of the Marxist theory of reproduction. This study is continuing this year. The editor of this "Theoretical Study by Cadres" column asked me to say something about the significance of this study. I talked on this subject a year ago, so I will just make a few supplementary comments here.

Although there are numerous problems in social economic life, they can all be summed up into two major problems. One is the economization of labor; the other is the proportionate distribution of labor. Both are problems that any society has to solve. According to Marxist theory, this is a common law of human social production.

When the natural economy, characterized by self-sufficiency, prevailed in human society, these two problems were solved in a simple way. For example, in a feudal manor or in a peasant family, the lord or the patriarch knew fairly well how much labor he had and how strong his production labor forces were. He had to distribute his labor for the production of his own necessities. He would plan how much grain and vegetables should be planted, how much livestock and poultry should be raised, and how much spinning and weaving should be done. He would also calculate, if he was able to save some labor from planting, raising animals, spinning and weaving, how many houses he would probably be able to build. On all these things, the lord or the patriarch could make decisions and arrangements himself.

However, with the development of the social division of labor and the exchange of products, production for the purpose of exchange, that is, commodity production developed and, over a long period of time, became the prevailing mode of production. Things are not quite the same now. The economization of labor and the proportionate distribution of labor are not as simple as in the old days; they have become rather complicated. The production of every producer must rely on social demands. Only by means of buying and selling, or through the channel of circulation, can his products be consumed, including consumption in production and consumption by people in their daily lives. At the same time, the consumption of every producer or every common person also relies on social production. Only through the channel of circulation can he obtain the things he needs in his production and daily life. In this, circulation seems to play an important role. The economization of labor and the proportionate distribution of labor can no longer be carried out directly in the course of production. Instead, they must be accomplished by means of circulation. Take a capitalist enterprise which produces teacups as an example. The boss of this enterprise has tried all means to economize on the consumption of materialized labor and actual labor. That is to say, he has reduced the production costs. Can we say then he will certainly make a profit by selling his cups? If his cups do not meet a need, or if there are already an excessive number of this kind of cup on the market, that is to say, his production does not accord with social demands, his cups will not sell well. Then the labor devoted in the production of these cups will be wasted, and the boss will not only make no profit but might incur a loss. If the situation is different, and the cups are all sold, but some raw materials or some spare production tools for making cups are in short supply on the market, the boss cannot purchase these goods. As a result, the process of reproduction will be interrupted and the machines and the workers will stop working. The economization on labor is then out of the question.

If products of all enterprises can be sold well, and the capital goods or consumer goods needed by the capitalists and the workers are all available, the production structure of the entire society must be in conformity with the social demands, and it can be said that conditions for circulation in the entire society are favorable. Therefore, the economization of labor and the proportionate distribution of labor are not only the internal affairs of individual enterprises, but a problem concerning the reproduction and circulation of the entire society.

The Marxist theory of circulation, including the theories on cycles, turnover and reproduction, has brought to light the laws on circulation in the whole society. What he spoke of was the circulation of capital. But, disregarding the forms of capital, this law is universally applicable to any social production.

This law can help people understand how important circulation is in the course of social production and commodity production.

It can also help people understand that, in an enterprise, in order to improve economic results, not only must the consumption of materialized labor and actual labor and the consumption of funds be economized, but the products must be made to suit social demands. Thus, measures in conformity with the law of circulation of funds should be adopted to speed up turnover and to reduce the amount of capital used. In this way, the funds can play a greater role.

Furthermore, it can help people understand how the circulation of funds in all the enterprises interact by determining and conditioning each other, and how these movements interlock with each other and constitute the general movement of funds in the entire society. People will then understand how all kinds of proportionate coordination of social production function as conditions for the movement of social funds. From this, people can find some regularity in the movement, such as what balance should be kept between two major categories of social production in simple and expanded reproduction, how compensation of value should be carried out between different social products, and how goods should be exchanged.

The economization of labor and the proportionate distribution of labor, which are the most common laws in social production, take different forms during different stages in the development of human production. When commodity production is the prevailing mode of production in the society, they take the form of the law of value. People have frequently discussed the law of value and expressed various opinions on it. In my opinion, the law essentially brings out the following two points: (1) the society only recognizes average necessary labor; (2) this labor must accord with social demands. If the amount of labor put in by a producer in the course of making a product is more than the average and necessary amount, the excessive part will not be recognized by society and the producer will be operating under adverse conditions when he puts his products into exchange. Even if the amount of his labor has not exceeded the average and necessary level, but his products are of a type which has been overproduced, his labor will not be recognized in society and he is still operating under unfavorable exchange conditions. Therefore, producers are compelled to make more efforts to economize on the consumption of labor and do their best to suit their production to social demands. During the period of nonmonopoly capitalism, all this was done in a spontaneous way and was effected completely through market competition. That is what is called a typical example of regulation by market mechanism.

Commodity production is not a social economic form or a given type of production relationship. There have been many social economic forms in history, but none can be called commodity production. So we cannot distinguish or decide the nature of a social economic system from whether commodity production exists in it or not. The essential feature of capitalism is wage labor, and commodity production based on wage labor is the production of surplus value. Our socialist society still needs commodity production. However, it is not based on wage labor but on united labor. The entire united labor represented by the socialist state enables us to consciously control social production. Planning is the means of this conscious control. However, various enterprises inside this economic entirety are socialist economic units which remain relatively independent. Their products, both capital goods and consumer goods, all become commodities. When value, currency, price and funds still exist, the conscious control by the state of socialist economic activities has to be effected through commodities and currency. The form of direct labor distribution in the entire society has not yet occurred. For example, economization of labor takes the form of economizing on the consumption of funds. The distribution of labor also takes the form of the allocation of funds. In his government work report delivered to the 4th session of the 5th NPC, Comrade Zhao Ziyang pointed out that "while upholding the planned socialist economy, we are giving scope to the supplementary role of market regulation and fully taking into account and utilizing the law of value when working out state plans." In production based on united labor, consciously applying the law of value to control the social economic activities, attaching importance to economic measures and devoting attention to utilizing economic levers can all be considered conscious applications of the law of value and all are facets of planning. This has functions that differ from market regulation. These are the manifestation of the law of economization of labor and proportionate distribution of labor in the current socialist society.

Only when we understand the law can we become conscious. Since conscious labor economization and proportionate labor distribution are necessities, research and study of the theory of circulation, including the economic theories of cycles, turnover and reproduction, are especially important.

The government work report by Premier Zhao pointed out, "The crux of the problem is to do all we can to get better economic results in areas of production, construction and circulation." The report also listed facts which show that economic results in our construction are not yet satisfactory, and analyzed the causes for this. It said, "From now on we must tackle all economic problems with better economic results as the fundamental objective, ensuring a more satisfactory sustained development of our economy." In addition, Premier Zhao held that "as far as readjustment is concerned, we should not only readjust the proportions between industry and agriculture, between light and heavy industries, and between accumulation and consumption; we should also readjust the product mix, the technological makeup, the line-up of enterprises and the organizational structure so as to rationalize the overall structure of our national economy. Therefore, economic readjustment covers a much wider range than we first envisaged. The overall restructuring of the economic management system will take an even longer period."

Economic results essentially are the economization of labor, or the achievement of higher labor efficiency. In the form of value, this is a reduction in consumption and the use of funds together with an increase in gain. Economic structure essentially means the proportionate distribution of labor which manifests itself in the form of the industrial makeup and distribution structure. As for the reform of the economic system, this involves all the areas in social life and has many related problems. If we sum these up, we can synthesize them into two major requirements: (1) to arouse the internal motive force of the socialist economy; (2) to handle the balance mechanism in the socialist economy. Their purpose is to achieve the economization of labor and the proportionate distribution of labor.

From now on, for a period of time, we will always face these problems and must properly handle them. At present, these problems are not very simple but rather complicated for us, and we have found that they involve many objective laws which we should recognize. If we can gradually understand them and properly apply them, we will certainly do a better job and solve the problems more smoothly. The Marxist theory of capital circulation can offer us theoretical guidance and help us solve these problems. That is why we should study this theory and that is also the significance of our study.

CSO: 4004/23

THE KEY LIES IN STRENGTHENING LEADERSHIP

Beijing RED FLAG in Chinese No 3, 1 Feb 82 p 35

[Short commentary in the "Theoretical Study by Cadres" column by Ji Xin [4764 6580]]

[Text] The experiences of the cadres in Jiangxi Province and Guangxi's Mashan County and what they have learned in the study of reproduction theory tells us that it is very important for our cadres to study theory in the new historical period and that they can study it very well, too. The key lies in strengthening leadership of CCP committees at various levels.

Different views and attitudes have appeared since the broad masses of cadres began to study economic theory last year in accordance with the arrangement of the Propaganda Department of the CCP Central Committee. Some comrades find it difficult to understand Marx' theory of reproduction, while others still have doubts about the necessity of studying theory. We must admit that for those comrades who have a lower educational level and poor theoretical basis, it is really not so easy to study economic theory, and guidance is quite necessary for them to overcome difficulties. Nevertheless, we should not have any doubts about the importance of studying reproduction theory for the broad masses of cadres, especially those in leading positions and those who are in charge of economic work. The theory of reproduction is an important component part of Marxist political economics. It is not only an ideological weapon for understanding the law of development in capitalist society, but also an indispensable theoretical guidance for organizing and leading socialist economic construction. One of our past lessons in economic construction is one-sidedly emphasizing high speed and high accumulation and promoting a scale of capital construction which is beyond the capacity of our financial and material resources. These factors caused the serious disproportion of the national economy. At the same time, we interfered too much and were too rigid in economic management, and our actions ran counter to the objective law of economic development in many respects. All this is a result of insufficient study and understanding of the theory of reproduction. Just as a comrade who studied reproduction theory at a party school said: If we had begun our study 20 years earlier, we might not have made so many serious mistakes and had so many problems. This implies a deep understanding of our past experiences and lessons and shows, at the same time, the importance of studying the theory of reproduction.

Can we master the theory well? How many things can we learn from our study? We can find the answer in both Jiangxi and Guangxi's experiences. Of course, it takes time and energy to master the theory well. As to whether or not we can learn a lot, that depends on whether there is good guidance. Without guidance, it will be difficult to study the theory and the results will be affected. However, if the CCP committees pay enough attention, strengthen leadership and create conditions to push forward our study, the difficulties can also be overcome. This is one of the experiences in the two provinces as well.

There are many good experiences in various localities on the study of economic theory by cadres. We hope that they will sum up and exchange experiences among themselves so that the study will be pushed forward and more achievements will be scored.

CSO: 4004/23

WHAT CADRES HAVE GAINED FROM STUDYING THE THEORY OF REPRODUCTION

Beijing RED FLAG in Chinese No 3, 1 Feb 82 pp 36-37

[Article in "Theoretical Study by Cadres" column by the Propaganda Department of the Jiangxi Provincial CCP Committee]

[Text] In carrying out economic theoretical study, our province has decided to conduct study sessions on the book "Study Marxist Theory of Reproduction" fot 5,460 cadres at the county level and above. In 1981, 3,670 of these cadres had completed their study, while the rest are expected to basically complete their study in March of this year.

There has been a good response to the study of this book. Prior to their study, a considerable number of the cadres were not aware of the importance of studying this book. They said: "Since we are carrying out socialist construction today, why is it necessary for us to study 'Das Kapital,' which was written by Marx over 100 years ago?" "Is this not divorcing theory from reality?" In the first 5 to 7 days of their study, the participants generally found the going "rough" and they could neither understand the definitions nor grasp particular viewpoints. But, as the members of the standing committee of the provincial CCP committee took the lead in the study, they all decided to continue their study whatever the cost. Their efforts were at last rewarded. In a matter of 5 to 7 days after beginning their study, they began to understand the book, and the more they studied the more interested they became. They studied very hard. At the end of their study, they generally felt that the time was too short and they asked to have it lengthened. They came to realize that it is necessary to read classical works and that they can understand these works if they decide to study hard. They hope to be able to have more such courses in the future.

Those comrades who have completed their study and made achievements can be generalized as the following:

First, they have understood the basic principle of Marxist political economy. Many leading cadres above prefectural level in our province did not study political economy systematically, and this was their first complete reading of a classical book. They found the book to be fresh and impressive although it only contained excerpts of lengthy writings. They said that after 1 month of study, they had not only covered a classical book, but also understood such basic economic principles as the circulation and turnover of capital, the reproduction of social gross capital and the flow of capital. In addition, through this study they were able to "link together" systematically the fragmentary knowledge they had gained through their own self-study over the years, deepened their understanding and improved their economic theoretical level.

Second, they deepened their understanding of the party's principles and policies for readjusting the national economy. Many comrades did not have enough systematic knowledge of Marxist political economy and thus failed to correctly understand the principles of readjustment, restructuring, reorganization and upgrading that has been formulated since the 3d Plenary Session of the 11th CCP Central Committee. Some were even doubtful and asked themselves, "Is this really Marxism?" Following their study, they understood that many of the principles and policies advocated by the CCP Central Committee are in line with the Marxist theory of reproduction. Some comrades said that they did not understand why the readjustment of the national economy requires such a considerable amount of time. Now they have come to understand that the general guiding ideology has caused a serious imbalance in the proportionate relations between the two big economic categories and such a situation cannot be corrected in a short period of time. Many comrades said that they now understand even more deeply the party's line, principles and policies that have been formulated since the third plenary session.

Third, they have deepened their understanding of the importance of theory and theoretical study. Because of the interference and sabotage of Lin Biao and the "gang of four," the broad masses of cadres, in the past few years, have developed many misunderstandings with regard to theory and theoretical study; they thought that "theory was useless" and consequently, they were unwilling to undertake any study. But following their study this time, many comrades have changed their understanding and attitude. They said, "It is not because theory is useless but because we did not study theory well enough." Some comrades came to know that Engels once said that "Das Kapital" was often referred to as the "bible for the working class." He also said: "We are so sorry that we failed to read 'Das Kapital' after joining the revolution and the party decades ago, and this situation cannot be justified; it must be read by the working class." Following their study, many comrades became aware of the practical significance of the Marxist theory of reproduction in realizing the modernization program. They have consequently been able to see things more correctly and they have found that they have enriched their knowledge. Many comrades have combined their theoretical study with the summing up of their experiences. They have written on their understanding of some principles that are easier to grasp, such as how to scientifically make use of funds, step up the turnover of the funds and actively tap potential in intensively expanding reproduction. They have also expanded their understanding of these questions to improve their knowledge.

Considerable achievements have been made in the study not only because of the attention paid by the party committees at various levels but also because the organization, leadership and method of study have been improved. Many units have resorted to the method of "small centralization" in the interest of strengthening leadership and providing coaching in the study to the cadres so they can concentrate their efforts and time on study. As the time for study was too short and the participants, in general, found it difficult to read the book because of their weak foundation, many units generally resorted to the study method of combining reading with coaching and discussion. They stressed that all participants must "begin by reading original writings" and read them at least 2 to 3 times. For many cadres it has been very difficult to start their study without help from instructors. Therefore, beginning in November 1980, measures have been taken by the provincial departments down to localities to train theoretical instructors and compile and print coaching materials. Coaching is carried out by an instructor reading out loud the main passages, explaining the main points of each chapter and section in order and systematically, while the main points, difficult points and points on which there are differing views are explained in detail through basic principles. The purpose of coaching is to help understand the book, master the basic contents, and point out the direction for combining study with reality. It was also necessary to have discussions, but they could not be carried fully because of the limited time. Therefore, the participants deepened their understanding by exchanging views among themselves. In order to make greater achievements in the limited time, it was necessary to organize the discussions well.

A number of good study situations have developed for the first time because we began theoretical study in 1981. But there is room for improvement in our work and a number of problems still exist. Some regions and units still believe that it "makes no difference whether we study or not" and thus they are passive and reluctant to undertake studying. While other places and units have not even started the study. Our coaching ability is weak. Although our instructors have worked hard, they still cannot carry out their coaching task well. The provincial CCP committee has decided to restore its lecturer group and strengthen the coaching ability so as to create better conditions for cadres in their study. Some units have failed to handle well the relations between political study and theoretical study, which has slowed the pace of the study. All these problems must be overcome and the study situation improved.

CSO: 4004/23

EVEN LEADING CADRES OF COUNTIES AND COMMUNES CAN MASTER THE THEORY OF REPRODUCTION

Beijing RED FLAG in Chinese No 3, 1 Feb 82 pp 37-38

[Article in the "Theoretical Study by Cadres" column by the Theoretical Education Office under the Propaganda Department of the Guangxi Zhuang Autonomous Region CCP Committee]

[Text] The Mashan County CCP Committee organized three study courses on the Marxist theory of reproduction in the county party school from mid-May to the end of September 1981. Participating in the courses were 108 cadres at the level and above of county department and bureau directors and senior leading cadres of people's communes. After the courses were concluded, the participants said that they had made achievements in their study, and these are mainly shown in the following:

First, they have deepened their understanding of the principle of national economic readjustment. Prior to their study, some cadres, particularly the comrades from the industrial and communications system, did not really understand the significance of the readjustment, or they felt that it was necessary to readjust the national economy but they could not tell why. Following their study, they came to understand that not only must the two major categories develop in balance, the inner relations of these categories must also develop harmoniously and that if they are out of balance, they will consequently hinder the smooth development of social reproduction. The director of the county finance office said: "Carrying out production is just carrying things with a shoulder pole: if one end of the pole is heavy and the other end is light, we will not be able to walk. In the past, we stressed the importance of primarily developing heavy industry to such an extent that we spoiled the balance of the two major categories; such a practice runs counter to the Marxist theory of reproduction. If we do not readjust the proportionate relations among various departments, we will continue to cause enormous waste in our economic construction." Some factories and mines that had to be closed down refused to do so; but after gaining an understanding of the above-mentioned principles, they fairly cheerfully complied with the decision of the county.

Second, they have further paid attention to economic results. A deputy secretary of the county CCP committee did not really understand the importance of improving economic results, which is necessary for guaranteeing smooth reproduction. Therefore, in building the "five-small" industry, he neglected economic results and developed the industry blindly. When production could not be carried out normally, he was at a loss as to the reason. Following his study of the theory of reproduction, he has deepened his understanding of developing the economy through low investments with high economic results. He also came to understand that the core of the previous problem was that he did not pay enough attention to economic results. Thanks to their study, the comrades from the county forestry department understood that a reason for their loss was that the proportion of their fixed assets was too high, with idle funds amounting to as much as 250,000 yuan. When they finished their study and returned to their unit, these comrades rapidly readjusted the assets. The director of the county's light industrial bureau further understood that flows of funds will help promote production and, therefore, he became more active in smoothing channels for the flow of goods and in promoting the development of production. When he was solving the problem of serious overstocking in a county winery, he carried out deep investigations and found that, following measures taken by the commercial department to change the method of unified purchasing and fixed sales quotas, the winery leadership did not pay attention to smoothing out channels for the flow of products. He then helped the winery to sell its products and solved the problem of production being divorced from sales. In 1981, this winery overfulfilled yearly production quotas.

Third, they have deepened their confidence in the leadership of the CCP Central Committee and the State Council. Prior to their study, some comrades misunderstood the road for a Chinese-style modernization program that has been put forth by the CCP Central Committee and the State Council. But, following their study, these comrades understood that under the influence of the "leftist" guiding ideology prior to the 3d Plenary Session of the 11th CCP Central Committee, many policies and measures ran counter to the Marxist theory of reproduction to enhance national economic imbalance. They have now come to understand that the principles and policies put forth by the CCP Central Committee and the State Council for economic work are in line with the Marxist theory of reproduction and our national conditions. They said with confidence that it is true that with the current principles and policies the pace of the current development will be slowed, but if we are able to continue to implement these principles and policies, our economy will develop faster once our economic work is carried out smoothly.

The study courses in the theory of reproduction held by the Mashan County CCP Committee has made better achievements thanks to the hard study of the participants. In addition, there are two other reasons for the achievements.

Primarily, the county CCP committee has paid much attention to and strengthened its concrete leadership. Senior leading cadres in the county joined the courses in turn and they took timely measures to solve the concrete problems in the course of the study, such as providing additional expenditures for the party school and drawing up lists of the leading members that were to take part in each term of study so as to guarantee that the courses would be carried out according to plan.

In addition, the teaching was carried out by proceeding from reality. The cadres from the county CCP committee understood that most participants have a low theoretical level and that it was, therefore, difficult for them to read the original works. Therefore they used three articles in the study of the Marxist theory of reproduction as the main teaching materials. In addition, comrades from the propaganda department and party school also compiled some reference materials for the participants while instruction was given to help them overcome stumbling blocks. The comrades from the county CCP committee also led others to combine their study with their past experiences and lessons in economic construction, with the party's principles and policies and with the measures that have been issued and taken since the 3d Plenary Session of the 11th CCP Central Committee and with the economic work of their own units. This method has proved very effective. The participants said that in the beginning of their study, some expressions and concepts were strange to them, but when they deepened their study, they found that many of the concepts were not difficult to understand. They said that the more they studied, the more useful they felt the roles of these concepts to be and the more interested they became in the study.

CSO: 4004/23

WHY MUST THERE BE A CEILING ON THE ISSUING OF BONUSES?

Beijing RED FLAG in Chinese No 3, 1 Feb 82 pp 39-40

[Article by Fu Rong [5958 2837]]

[Text] As bonuses are payment for extra work, the amount issued is decided by the amount of extra work, and no restriction on issuing them in the first place is necessary. But there must be some preconditions to ensure that the bonuses are actually rewards for extra work. One of these important conditions is that work quotas should be reasonable and progressive. They should be standards that most people can attain or surpass through efforts within a given period of time. This means that only some of the workers can overfulfill their quotas and the amount of their overfulfillment is not large. There should only be a few who can overfulfill their quotas by a wide margin. They are the advanced elements and generally those who are inventive and can carry out technological renovation. If most people can overfulfill their quotas by a wide margin without effort, this only indicates that the work quotas are set at unreasonably low levels and should be revised. When work quotas are reasonable and progressive, the number of people who can do extra work and the amount of extra work they do are certain to be limited, and thus bonuses are also limited. However, at present, administrative systems in many enterprises have not yet been perfected. Particularly, there are still a large number of problems in quota controls. In some enterprises, no work quotas have been set. Extra work in these enterprises often does not reflect the true situation, and the amount of bonuses issued is much greater than the actual amount of extra work. In order to make bonuses really reflect extra work and to eliminate the excessive issuing of bonuses, first of all, the control of work quotas should be handled well. Before this problem is solved well, it is necessary to limit the issuance of bonuses.

The measures for implementing the economic responsibility system in enterprises, linking bonuses with profits of an enterprise and reserving bonus funds from profits proportionally, are conducive to overcoming egalitarianism. However, since the people-owned economy is a single entity, in a given period, the state has to make overall planning for the amount of funds which can be used for issuing bonuses according to the existing level of social production and productivity growth. That portion of an enterprise's income reserved for itself cannot be excessively large and the portion for individuals cannot grow too fast. Otherwise, the state's financial revenues will be adversely affected, thus reducing the sources of state accumulation, slowing down state construction and industrial and agricultural production, and in turn adversely affecting the improvement of workers' livelihood. Since 1980, the nationwide bonus growth rate has exceeded the growth rate of production, productivity and profits. This state of affairs must be remedied. Particularly in the current period of national economic readjustment, for the sake of overcoming the state's financial difficulties and rapidly improving the national economy, the state cannot be expected to spend more money to improve the people's livelihood. It was proceeding from this overall situation that limits to the amount of bonuses issued were placed on the enterprises. It was in the fundamental interests of the broad masses of workers. Some comrades felt that only their enterprises had gained more profits, thus demanding that more bonuses be issued. This showed that they lacked an overall point of view.

Wages and bonuses constitute the monetary income of workers and also the social purchasing power. A balance should be maintained between social purchasing power and the available supply of social commodities. If purchasing power grows too fast and the growth of commodities supply cannot keep pace, commodity price hikes will result. In order to avoid this phenomenon, the growth of social purchasing power should be in line with the coordination of state plans. Restricting the issuance of bonuses is one of the ways in which state planning can adjust consumption. Bonus funds do not take the form of bonuses which are paid out to the individuals once and for all. Bonus funds can be turned into reserve funds, which can be used to make up for some future shortages of bonus funds and can also be turned into welfare funds. This will be conducive to reducing the pressure of individual purchasing power on the markets and at the same time will benefit the workers.

When a ceiling on the issuing of bonuses is set, this does not mean that all the enterprises should issue bonuses up to the maximum set by the ceiling, still less does it mean that all the workers can get their bonuses under the same standard. It is correct to issue bonuses in enterprises which are managed and operated well, but poorly managed enterprises should issue fewer bonuses or even stop issuing bonuses. As for the bonuses issued to the individual workers, it is necessary to control them within the limits and to issue the bonuses exactly according to extra work. So long as ideological and political work is strengthened, and the principle of distribution according to work is effectively implemented, the limited bonuses can surely play a greater role.

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IS IT IN CONFORMITY WITH THE PRINCIPLE OF DISTRIBUTION ACCORDING TO WORK TO CONSIDER ALL SIDES WHEN ISSUING BONUSES?

Beijing RED FLAG in Chinese No 3, 1 Feb 82 pp 40-41

[Article by Zong Han [1350 1383]]

[Text] Whether an enterprise draws bonus funds and the amount of these funds depend on how much above-quota labor it can offer to society after fulfilling the state plan. If it can overfulfill the state plan and provide extra labor, it can have bonus funds; otherwise, no bonus funds are available. Within an enterprise, things are the same. The availability and amount of a bonus for a worker depend on the amount of his above-quota labor. The more above-quota labor he provides, the greater the bonus he can get; but if he does not provide any above-quota labor, he gets no bonus.

Then, why should the interests of related enterprises be considered when bonuses are reserved by an enterprise and issued to its workers? The main reason lies in the fact that the above-quota profits of an enterprise, although they embody above-quota labor, are not created merely by the workers in this enterprise alone. There are many factors which can affect the profits of an enterprise. They include the following:

At present, prices of some products in our country are not reasonable. Prices of some products are higher than their real value, resulting in comparatively high profit rates. Other products are in a reverse situation; their low prices lead to low profit rates or even losses. For example, the profit rate of power industry funds in our country is about 13 percent, while the profit rate of coal industry funds is only 2 percent. In 1978, the production cost for raw coal under unified distribution was 16.34 yuan per ton, but its selling price was only 15.96 yuan. This resulted in a loss of 1.67 yuan per ton after taxes were deducted. After ex-mine coal prices were increased by an average of 5 yuan per ton in 1979, two-thirds of the coal mines still continued to incur losses. Owing to the low price of coal, power stations can reap a profit of 34-51 yuan with the consumption of 1 ton of coal. The profit rate of power industry funds is high, but that of the coal industry is low. Some coal mines even incur losses. Does this mean that the workers in the power industry have supplied above-quota labor and that this corresponds to the profit rate in this industry, or that the workers in the coal industry have not supplied any above-quota labor or have not even fulfilled their quotas? It is not correct to draw such conclusions. The large gap between the profit rates of these industries is caused to a great extent by the price factor. Owing to the low price of coal, the value created by the coal workers, including that part created by their above-quota labor, has been transferred to and realized by those coal-consuming enterprises. A similar state of affairs exists in the production of other products. Therefore, when bonuses are reserved and distributed in those enterprises which have gained higher profits owing to the low prices of their raw materials and fuel and to the high prices of their products, they should not just consider how much above-quota profit they have made. Instead, they should also consider where this above-quota profit comes from. That is to say, consideration should be given to those enterprises which have actually contributed above-quota labor but which, because their prices are unreasonable, have made low profits. Only in this way can the principle of distribution according to work be implemented well; without this mutual consideration, the principle will be violated.

Enterprises differ greatly from each other in the aspects of geographic position, equipment and degree of coordination. In raw materials industries and the mining industry, natural conditions (reserves of natural resources, their grades and the degrees of difficulty in exploitation) also differ greatly. Enterprises that are well-equipped, well-located, close to sources of raw materials and have good natural conditions can generally make higher profits with the same amount of labor than those under comparatively adverse conditions. But the objective conditions are not entirely determined by the enterprises themselves. Above-quota profits made by enterprises which have favorable conditions do not always indicate that the workers there have supplied equivalent above-quota labor. On the other hand, above-quota labor in those enterprises, the conditions of which are worse, sometimes reaps no superprofits. Take, for example, two chemical plants, one with advanced equipment and in which, on average, each worker can utilize fixed assets of 30,000-40,000 yuan; and the other, poorly equipped with an average fixed assets utilization by each worker of less than 10,000 yuan. With equipment of different technical levels, workers will create different amounts of use value while putting in the same amount of labor. In other words, unit products with different production costs but sold at the same price will result in different profits and above-quota profits for the enterprises. Our enterprises are socialist enterprises. Generally, the equipment in the enterprises is provided by state investment. That is to say, the objective conditions with which those well-equipped enterprises can make above-quota profits are mainly created by the state and all the workers of the society. In addition, at present there are still no fixed capital utilization taxes or resource disparity taxes imposed on enterprises in our country. Therefore, above-quota profits of an enterprise do not exactly reflect the amount of above-quota labor supplied by workers of the enterprise. Thus it is necessary to take those enterprises which are poorly equipped but which have supplied extra labor into consideration when bonuses are drawn and issued. Mutual consideration should also be given in cases where natural conditions and other external objective conditions differ between the enterprises. This is in conformity with the principle of distribution according to work.

When we encourage people to consider all sides when issuing bonuses, we should also prevent that kind of egalitarianism in which bonuses of all enterprises are made the same. If enterprises have provided the society with different amounts of above-quota labor, it is absolutely reasonable for certain variations to exist when bonuses are drawn and issued among them.

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THE 320TH ANNIVERSARY OF THE RECOVERY OF TAIWAN BY ZHENG CHENGGONG

Beijing RED FLAG in Chinese No 3, 1 Feb 82 p 41

[Historical data by Li Hong [2621 1347]]

[Text] This year 1 February marks the 320th anniversary of the successful expulsion of Dutch aggressors and the recovery of Taiwan by Zheng Chenggong, an outstanding national hero in Chinese history.

Taiwan has been an inalienable part of China from time immemorial. However, it was forcibly seized and occupied by the Dutch aggressors in 1624 (the fourth year of the Tianqi period during the reign of Emperor Xi Zong of the Ming Dynasty). The Dutch aggressors exercised brutal colonial rule over the island and plunged the local people into the abyss of suffering. With a view to driving away the Dutch aggressors and recovering the treasure island of Taiwan, Zheng Chenggong set off from Liaoluo Bay on Jinmen Island with an army of 25,000 men on 21 April 1661. After passing Penghu Island and surmounting numerous difficulties at sea, they victoriously hit the beach in southern Taiwan on the morning of 30 April. On the same day, with the positive support and help rendered by the local people, Zheng Chenggong swiftly foiled the stubborn resistance put up by the Dutch aggressors both at sea and on land and immediately laid siege to the important stronghold of Kanchien city (today's Tainan), forcing the city's commanding officer to surrender. After this, Zheng Chenggong laid siege to another stronghold called Taiwan city (today's Anping) while proceeding to recover other lost territories. Tei Kokukyo, the Dutch-appointed viceroy of Taiwan, tried to lure Zheng Chenggong into abandoning his determination to recover Taiwan with the promise of tribute and money. However, Zheng Chenggong said: "Taiwan has been run by the Chinese people since ancient times. It is a Chinese territory although it has been occupied by your country all these years. Now I have come to claim it back and the land should belong to me." This shows his determination to recover the territory of his motherland and reflects the glorious tradition of the Chinese people in resisting foreign aggression and safeguarding national sovereignty. After fighting valiantly for 9 months, Tei Kokukyo was forced to surrender on 1 February 1662 due to the lack of reinforcements. Thus, Taiwan, which was occupied by the Dutch aggressors for as long as 38 years, was finally returned to the embrace of the motherland.

The recovery of Taiwan by Zheng Chenggong goes down in the annals of Chinese history as a brilliant victory in the struggle against aggression. It is of great historic significance. Today, we must continue to carry forward Zheng Chenggong's patriotic spirit and strive to bring about the return of Taiwan to the motherland and fulfill the great cause of reunifying the motherland.

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WHAT SHOULD BE OUR ATTITUDE TOWARD THE PARTY'S MAKING MISTAKES?

Beijing RED FLAG in Chinese No 3, 1 Feb 82 pp 42-45

[Article by Li Mingsan [2621 2494 0005] and Guo Dehong [6753 1795 1347]]

[Text] Guiding the Chinese people in carrying out socialist revolution and socialist construction over the past 32 years, our party has scored remarkable achievements and at the same time, it has made mistakes, particularly mistakes such as the "Great Cultural Revolution" which has had a long-term and overall significance. How to correctly view our party's committing mistakes has become a very important question. By means of studying the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" adopted at the sixth plenary session, the broad masses of party members, cadres and people have been educated and encouraged to adopt a positive approach to help the party sum up historical lessons and be united to struggle for realizing the four modernizations. However, some comrades hold a different attitude. Whenever they see that the party has made mistakes, they begin to lose their confidence in the party's ability to lead the people to construct a strong and prosperous state and even spread the passive attitude of waning confidence among the people. Some of them even go as far as to exaggerate the party's mistakes and allege that they manifest the main trend of the party's work. There are some others who willingly vilify the party, claiming that it has made mistakes in order to shake off party leadership. These questions are worth great attention, and we should seriously deal with them.

Marxism tells us that it is unavoidable for any individual or any political party to make mistakes. There has never been a political party which is free from mistakes. Whether a political party is great, glorious and correct does not depend on whether or not it has made mistakes but on what mistakes it has made and what attitude it has taken toward the mistakes. In other words, we must first make clear the nature of the mistakes. In a broad sense, there are two kinds: First there are those which people make in propelling history forward and which are correctable. Second there are those which people make in achieving their reactionary goal to prevent history from advancing, and which are irremediable. In order to safeguard their own reactionary rule, the exploiting class rulers in successive dynasties, when trying to put the clock back, opposed the people by every means. Their mistakes were irremediable and they were bound to be destroyed. The mistakes which our party made are completely different from theirs. As ours are the ones which emerged in the course of advancing and probing, they can be corrected as soon as they are found. It is very important to classify mistakes by their nature. In talking about Luxemburg's shortcomings and mistakes, Lenin quoted a fable by Krylov which pointed out that an eagle sometimes flies even lower than a chicken, whereas a chicken can never fly as high as an eagle. Lu Xun also said: "A fighter with shortcomings remains a fighter, while a perfect fly is after all nothing more than a fly." ("Collected Works of Lu Xun," Vol 3, p 30) All these metaphors can be applied to the case of our party as well. Being an old man who has witnessed the rise and fall of several dynasties and has rich experience, Hu Juewen, vice chairman of the Standing Committee of the National People's Congress, talked about the mistakes of our party in the light of his own experiences obtained in both the old and new societies. He said: "There is no doubt that the CCP and the people's government have made mistakes; however, compared with what the rulers of old China had done, the nature of their respective mistakes cannot be mentioned in the same breath. What especially gratifies, moves and inspires us is that the CCP and the people's government, after having summed up and taken lessons from past experiences, distinguished right from wrong in their guiding ideology, are taking a more and more conscientious attitude toward the shortcomings and mistakes emerging in the course of work." His is an objective and fair appraisal.

In the second place, we must make clear whether the mistakes were the principal or secondary aspect of our party's work. If on the whole, what a party has not done are not good deeds but has made mistakes and it has brought not welfare but catastrophes to the state and the people, of course it can hardly be called great, glorious and correct. Nevertheless, the mistakes which our party made were only in the secondary and minor aspect of its work, and the great achievements that our party made during the period of democratic revolution are extensively recognized all over the world. Although we have made quite a few mistakes during the last 32 years since the founding of the PRC, the achievements we have made were the principal aspect of our work. We have successfully eliminated the system of exploitation, established the socialist system and thus completed the most profound and greatest social change in our country's history. From the shambles left by old China, we have built up step by step an independent and relatively complete industrial system and national economic system. In 1980, the total industrial output value increased by 34.7 times and the total output of grain increased by 1.8 times over 1949. Although we carried out a large-scale economic readjustment in 1981 and also suffered from serious natural disasters, the total industrial output value still increased by 4 percent over the previous year. Last year's grain production was the second highest since the founding of the PRC. Although our country's population is close to 1 billion, and our cultivated land amounts to only 7 percent of the world total, we have still managed basically to guarantee the food and clothing needs of a population which is close to one-quarter of the world's total relying entirely on our own strength. We must say, this is a really amazing achievement. We have also made great developments in the fields of education, science, culture, public health, physical culture and sports and so on. Our achievements in scientific fields such as nuclear technology, satellites and carrier rockets, and so on have in particular drawn the world's attention. These are not only miracles in our country's history but also in the world's history. Undoubtedly, these achievements are primary; and in contrast to them, the mistakes which our party made are after all secondary.

In the third place, we must make clear what attitude our party has taken toward the mistakes. Lenin said: "The attitude of a political party toward its own mistakes is one of the most important and surest ways of judging how earnest the party is and how it fulfills in practice its obligations toward its class and the toiling masses. Frankly admitting a mistake, ascertaining the reasons for it and thoroughly discussing the means of correcting it--that is the earmark of a serious party." ("Selected Works of Lenin," Vol 4, p 213) Always taking a practical and realistic attitude toward its mistakes, our party never covers up facts or evades problems. It dares to expose itself and is brave and active in correcting its mistakes. Back in the period of the war of resistance against Japanese invaders, our party mobilized the masses, ranging from high-ranking cadres to all party members, to take part in the rectification movement which thoroughly cleared away the prevailing influence of leftist doctrinairism. This rectification movement, which laid down an ideological foundation for the victory of the war of resistance against Japan and the war of liberation, has always been commended inside and outside the party and this time, in redressing the leftist mistakes made before and during the "Great Cultural Revolution," our party has not only mobilized the whole party but has also extensively and thoroughly mobilized hundreds of millions of people to engage in exposure and criticism. This is an unprecedented undertaking in the history of the international communist movement. This is an action which shows our party's strong sense of responsibility to the people's cause and its firm confidence in its own strength and in the future of the socialist cause which it leads. Only a party which is armed with Marxism-Leninism-Mao Zedong Thought and which represents the fundamental interests of the people can take such an action.

Of course, it was really distressing to see our party make mistakes and thus bring about serious damages to the revolutionary cause and great misfortunes to itself and the people. But the mistakes taught the party and the people. In talking about the mistakes of the "Great Cultural Revolution," Comrade Zhao Ziyang said that from a certain point of view, if there had not been a "Great Cultural Revolution" in which all extremist practices were promoted, we would not have been awakened as thoroughly as we are today, we would not have reexamined all the problems since 1957 and could not have been as liberal as we are today for a long time to come. It is in experiencing mistakes and setbacks that we have managed to become coolheaded and more mature; and it is through the practice of correcting mistakes that we have become firmer and stronger. This has been proved by facts. Doubting the party or even trying to get rid of the party's leadership just because the party has made mistakes is not only wrong but will also bring about more serious mistakes. Comrade Hu Qiaomu pointed out: "The party's leading body did make mistakes but nobody is allowed to use this as a pretext to weaken, cast off or destroy the party's leadership, since doing so will only lead to terrible catastrophe."

Since our party has made mistakes, will it still be able to undertake the important task of leading the people in building a prosperous and powerful socialist country? In our opinion, this problem is not a theoretical one but rather a practical one. Since the third plenary session, our party has taken a series of resolute and correct measures to redress the mistakes, and thus brought about an excellent situation unprecedented in the last 20 years. This fully proves that our party is absolutely up to its task.

In terms of guiding ideology, leftist mistakes have brought about the most serious damage to the socialist cause since the founding of the PRC. Our party is very determined to redress this mistake and has devoted much effort to this. Because the "leftist" mistakes have been dominant for a rather long period--in particular, the longstanding personality cult of Comrade Mao Zedong and the doctrinairist habit of blindly copying certain speeches of Marx, Lenin and Comrade Mao Zedong; which enabled the "leftist" guiding ideology to dominate the whole party and go deep into every domain--a number of people made "leftist" thinking a criteria in judging the situation and in taking action; and thought that this thinking conformed with Marxism-Leninism-Mao Zedong Thought. Since the smashing of the Jiang Qing counterrevolutionary clique, many comrades inside the party have strongly called for the redress of such "leftist" mistakes. However, as the "two whatevers" were put forward and upheld, the "leftist" mistakes have continued to exert influence. This shows that it is not an easy task to redress the "leftist" mistake. In a certain sense, it is even more arduous and difficult than the task of redressing the leftist adventurism of Wang Ming in the past. As the representative of the people's fundamental interests, our party will never be overwhelmed by any difficulty. From painful lessons our party has learned the truth that it and the country will not make any progress and the socialist cause is likely to be destroyed, if the "leftist" mistakes are not redressed. Therefore, the party has devoted much effort to redressing its own mistakes. The general guiding principle of emancipating the mind, using one's brains, taking a practical and realistic attitude and uniting to strive for the future, was established at the third plenary session. It enabled the party to comprehensively redress its own mistakes, carry forward and further develop the scientific system of Mao Zedong Thought, restore the original face of Mao Zedong Thought and thus reestablish the party's ideological guideline on a scientific basis of dialectic materialism. At the same time, the party has accordingly readjusted and changed all the past evaluations of situations, theories and points of view, political slogans, guiding principles and policies which did not conform with objective reality. It has also revised and made, based on Marxism, a new and correct explanation and some decisions which conform with the objective reality for all important and new problems emerging in the realms of politics, economy, culture, social life and so on. The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" has made in particular a comprehensive, practical, realistic and scientific analysis of the "leftist" mistakes, thus fulfilling the party's historical task of setting to rights things which have been thrown into disorder in the realm of guiding ideology. It has thus established a correct road, which conforms with our national conditions, to construct a powerful socialist country. All these facts show that our party is one which is not only earnest in correcting mistakes but also adept at learning lessons from mistakes.

The main reason our party could successfully fulfill such an arduous task is that it possesses a strong central leading group which guarantees the implementation of the correct Marxist line adopted since the third plenary session. The existing leading core of the CCP Central Committee has been shaped since the third plenary session. In this group, we have some proletarian revolutionaries of the older generation who have stood the test in the long-time revolutionary struggle and are enjoying a good reputation. With rich and overall experiences in all fields of politics, economy, culture, military and so on, they are the mainstay which ensures the smooth implementation of the process of setting to rights things which have been thrown into disorder, as well as the success of the cause of the party and the people. In this group, we also have those comrades who are in the prime of life and possess rich practical experience. They have made important contributions in restoring and reestablishing the party's ideological and political lines, in reversing unjust, false and wrong verdicts, in carrying out the party's policies, in promoting the national economy and so on. Working together, all these comrades can help each other and complement each other. The high sense of responsibility to the people which they have shown in collectively handling major issues has set a good example for leading organizations at all levels. Therefore, it can be seen that the present leadership group of the CCP Central Committee has become more energetic and has improved its ideology, work style and so on, as compared with the past. It is now a strong and united leadership group. Comrade Tan Zhenlin, proletarian revolutionary of the older generation, said: The profound changes in various fields since the third plenary session are enough to show that "the present leading core of the CCP Central Committee is a strong leadership group which is absolutely trustworthy." This is a very appropriate appraisal. Under the leadership of this CCP Central Committee, we will be able to redress our mistakes; and we can be certain that we will overcome all difficulties and thus lead our socialist cause from one victory to another despite tremendous obstacles in the course ahead. As pointed out by Comrade Deng Xiaoping: "We will be able to concentrate the strength of the whole party or even the strength of the whole country to accomplish marvelous deeds so long as our party's leadership remains correct."

The history of modern China has shown that only the CCP can redeem the people from untold miseries, lead them to overthrow the three big mountains and win independence, freedom and liberation. Without the CCP, there would be no new China. This is a conclusion drawn from history. Now the history of the last 32 years shows once again that without the CCP, there will be no modernized socialist China. The party can hardly avoid mistakes in exercising leadership. However, in closely uniting with the people, it can surely redress mistakes and successfully lead the people throughout the country to turn our homeland into a prosperous and powerful socialist country. Therefore, there is nothing to worry about, and there is no reason for us to lose our confidence.

In the eyes of some other comrades, the CCP still has certain defects, such as the existence of unhealthy trends. They are worried about whether a party like this can properly lead the socialist construction. It is true that certain unhealthy trends, some of which are serious, exist among some of our party members and cadres who practice bureaucracy, seek personal privileges, make use of the power which the people grant them in seeking private interests. Unhealthy trends like these are a kind of corrosive. They can corrupt our cadres, party members and the party, destroy the flesh-and-blood ties between the party and the people, go against the fundamental interests of the people, deprive the party of combat strength and endanger the construction of the four modernizations. It is completely understandable that the broad masses of the people are discontented with such a situation. However, it should be noted that the situation did not arise from mistakes in the party's guiding ideology but from problems existing among some party members and cadres. We can be certain that the party will be able to redress the unhealthy trends existing among these party members and cadres since it has dauntlessly admitted and corrected its mistakes in guiding ideology. We should have a correct understanding of these unhealthy trends existing inside our party.

First, numerous historical facts have proved that most of our party's cadres are good or relatively good and completely trustworthy. Those cadres who are contaminated by unhealthy trends represent only a small part. If this is not our appraisal and understanding of the situation, we will not be able to understand the reason why the party managed to redress its mistakes and win the support of the masses of the people in the last few years, and we will be puzzled in witnessing the rapid favorable turn of the situation and the splendid achievements in the fields of politics, economy, culture and so on.

Second, unhealthy trends such as bureaucracy, seeking personal privileges and private interests, and so on are expressions of the old society's ideologies which serve the exploiting system. They certainly have to be overcome and eliminated under the socialist system. However, there are still some old elements left over from the past which keep exerting an influence on the people since the socialist system is a new one with a short history. After our party seized political power, a change occurred in certain people's thinking. They forgot or even discarded the party's fine tradition and work style and adored and contracted bad habits of the old society. Due to the evil practices of the Lin Biao and Jiang Qing cliques, the remnants of feudalism, the bourgeois thinking, anarchism and out-and-out egoism were on the upsurge during the 10 years of turbulence, and thus the thinking of a number of party members and cadres was seriously corroded. All these unhealthy trends are, Marx put it, the "vestiges" of the old society. They will eventually be overcome by the highly developed material and spiritual civilizations which are to be established in our country.

Third, the CCP is the vanguard of the proletariat and a party which serves the people wholeheartedly without seeking any private interests. This characteristic determines the party's resolute attitude in opposing privileges, bureaucracy and various unhealthy tendencies. Our party never praises, supports and appeases the small number of people inside the party who are contaminated by unhealthy trends, but unremittingly criticizes and educates them. As pointed out by Comrade Hu Yaobang, "various evil things exist at present and will remain for quite a long period of time in the future in the socialist society. There is nothing unfathomable about this. However, the socialist society cannot tolerate the roots of trouble left by the old society. Our party always claims that we will struggle against those wrong, evil practices and unhealthy trends by mobilizing and depending on the broad masses of the people." While a great number of problems are waiting to be handled since the smashing of the "gang of four," our party has listed right away the rectification of the party's work style as a priority item on the agenda. We have established discipline inspection commissions at all levels from central to local, worked out and promulgated the "Guiding Principles for Inner-Party Political Life," set some necessary regulations governing the living conditions of high-ranking cadres, disclosed, criticized and seriously handled some cases of severely unhealthy trends, of which only a few have been published in newspapers. Recently, our party also put forth the task of resolutely simplifying the leading organs of the party and state at all levels and overcoming bureaucracy, so as to bring about within this year a favorable trend of decisive importance toward improvement of the party's work style. All these facts show that our party is conscientiously redressing the unhealthy trends, just as one removes dirt from a healthy body. Being relatively impetuous, some comrades are itching to redress all unhealthy trends overnight. Their desire is fine but impractical. We need to go through a whole process to clear away all vestiges of several thousand years. As long as we strive unremittingly and persistently with one heart and one mind and give full play to tenacious combat spirit, we will surely be able to cure the persistent sequelae derived from the old society.

Lenin said: "If we are not afraid of admitting our mistakes, not afraid of making repeated efforts to rectify them--we shall reach the very summit." ("Collected Works of Lenin," Vol 33, p 182) In view of this, it is very wrong to spread words casting doubt on the party, and thus undermining confidence in the party's leadership, under the pretext that the party has made mistakes and there are still unhealthy trends in the party. The only right attitude a revolutionary should take is to treat the party's mistakes and shortcomings just as Lenin did.

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SOVIET EXPANSION IN SOUTHEAST ASIA

Beijing RED FLAG in Chinese No 3, 1 Feb 82 pp 46-48

[Article by Sun Fusheng [1327 4395 3932]]

[Text] Southeast Asia is an important area in the global strategy of the Soviet hegemonists.

This is, first of all, determined by the strategic importance of the geographic situation of this area. The Southeast Asia area consists of two major parts: the Indochinese Peninsula and the Malay Archipelago. It covers a vast stretch of the sea spanning both the Pacific and the Indian Oceans, encompassing more than 12,000 islands, big and small. China lies to its north, and India to its west, and Japan, Australia and the U.S. bases in the Pacific stretch across the seas. Its situation in the oceans makes it imperative for the Soviet hegemonists to establish for themselves a "bow-shaped navigation line" in the east that links the Mediterranean, the Red Sea, the Indian Ocean, the southwest Pacific, the Sea of Japan and the three continents of Europe, Asia and Africa, if the Soviet navy wants to enter the Indian Ocean and the Mediterranean to scramble for supremacy with the United States. The establishment and control of this navigation line will not only link their Black Sea Fleet with their Pacific Fleet and enable them to support one another, but will also enable the Soviet hegemonists to close up the channel through which the U.S. Pacific Fleet enters the Indian Ocean, reduce the strength of the United States in the Far East and threaten China from the seas. Moreover, the establishment and control of this navigation line will enable them to cut off the transportation line between the Far East and Australia and between the Far East and Europe, and thus seriously threaten the United States and Japan and economically stifle Japan, which relies on foreign trade for its survival. The situation of mainland Southeast Asia will enable the Soviet Union to coordinate activities in this area with its expansionary activities in northeast Asia, central Asia and the subcontinent of India and to set up anti-China bases in the areas to the south and southwest of China, if the Soviet Union controls the Indochinese Peninsula.

Second, there are abundant natural resources in Southeast Asia. For example, more than half of the tin reserves in the world are located there, and about 85 percent of the natural rubber in the world is produced there. In the land and sea areas of Southeast Asia there are also rich sources of important strategic materials such as oil and natural gas. For the Soviet Union, the Southeast Asia area is not only a important source from which it grabs strategic materials, but also an important latent market.

Third, most of the Southeast Asian countries did not achieve their independence until after World War II. They are economically poor and backward and they urgently want to develop their national economies. Politically, because of the protracted colonial rule and oppression, there is a relatively strong nationalist feeling in most of them. Besides, they are all faced with problems of varying degrees of complexity relating to nationalities, religions and borders, and that originate from their history. For Soviet hegemonists who are carrying out expansionary activities in the guise of "anticolonialism" and "socialism," these problems are something they can take advantage of.

From the mid-1950's to the late 1960's, the Soviet policies in Southeast Asia were aimed at establishing a foothold there. For this, it tried every trick to stretch its antenna into this traditional sphere of the Western colonialists' influence by exploiting the conflicts between the new and old colonialists and the Southeast Asian countries and people and by focusing its penetration activities on a few selected districts under the banner of "supporting the national liberation movement" and "opposing imperialism and colonialism."

From the late 1960's to the mid-1970's, the Soviet Union took the opportunity of the U.S. predicament in the Indochina war and hastened to increase its strength. Along with the growth of its military and economic strength, the Soviet Union fiercely scrambled with the United States throughout the world and thus started its all-round expansion in Southeast Asia.

Politically, the Soviet Union put forth the proposal for establishing the so-called "collective security system in Asia." It vainly hopes to incorporate not only Southeast Asia but the whole of Asia into its sphere of influence. But the Southeast Asian countries have given a cold response. The five ASEAN countries, furthermore, proposed to set up a peaceful, free and neutral Southeast Asia area that would be free from external intervention in order to counter the Soviet proposal. At the same time, the Soviet Union has been vigorously intensifying its penetration in Vietnam. During the Krushchev period, the Soviet Union adopted a "noninterference" policy toward Vietnam's national salvation war of resistance against the United States, and refused to give any support. On the contrary, it continuously put pressure on Vietnam, for fear that the aggravation of the war in Vietnam would lead to direct conflicts between the Soviet Union and the United States and make it impossible for Khrushchev to carry out the policies he was craving at that time of "Soviet-U.S. cooperation" in ruling over the world. When Brezhnev came to power, he saw the advantage in interfering in Vietnam. He changed Khrushchev's policy and gave "aid" to Vietnam in order to exert a greater influence in Vietnam, foster the pro-Soviet clique and use the Vietnam problem as something to barter in its contention for hegemony with the United States. According to statistics, by the end of 1975, the Soviet Union had staked more than $5 billion in Vietnam.

Militarily, despite the "awesome" strength of the Soviet Pacific Fleet in the eyes of American Navy specialists, this fleet can only perch in two easily vulnerable bases (Vladivostok and Petropavlovsk). Therefore, the Soviet Union urgently wants to find bases in the Southeast Asian sea area. Its activities are focused on "internationalizing" the Strait of Malacca and on seeking to establish navy bases in Southeast Asia to berth its warships and to install equipment for supplying and repairing its warships.

Economically, besides intensifying its trade activities, the Soviet Union was characterized, in this period, by attempts to make more use of the form of setting up joint venture enterprises and transnational companies. Taking the opportunity of the situation whereby the Southeast Asian countries suffered from the monopoly over maritime trade by European and American shipping companies because of their lack of shipping enterprises of their own, the Soviet Union made a breakthrough in the shipping business and set up a "Singapore-Soviet shipping company," "Philippine-Soviet joint shipping company" and the "Thai-Singapore-Soviet shipping company." It was not a casual occurrence that the Soviet Union worked hard to seize a part of the shipping business in Southeast Asian countries. On the contrary, this was closely related with the maritime expansion of the Soviet Union. The Singapore branch of the Moscow People's Bank, the most important Soviet transnational company in Southeast Asia, tried every means to conduct economic penetration in Southeast Asian countries. It gave loans to some enterprises there and then put them under its control by compelling them to repay the loans. It also supplied loans to speculators there and helped them create confusion in the market there.

The Soviet Union has sent a large number of spies in the guise of diplomats, reporters and sailors to steal information, foster pro-Soviet elements and carry out other illegal activities. According to the information disclosed by the relevant departments in Thailand, more than half of the 80-plus Soviet officials who work in the Soviet Embassy in Bangkok and in the Economic and Social Commission for Asia and the Pacific of the United Nations are spies of the KGB and the military intelligence agency.

Since the end of the war in Indochina in 1975, Soviet expansion in Southeast Asia has entered a new stage. Under the new situation, the Soviet Union's policies in Southeast Asia have been aimed primarily at taking advantage of the readjustment and further reduction of the strength of the United States in Southeast Asia and by a single stroke filling the "vacuum" and supplanting the United States. Its strategy has been to use Vietnam as its Cuba in Asia. It exploits the regional hegemonist ambition of the Vietnamese authorities, supports Vietnam to piece together the so-called "federation of Indochina" and regards this measure as an important step in its expansion throughout Southeast Asia.

First, the Soviet Union continues to increase its economic investment there. It has given a huge amount of "aid" totaling 2.5 billion rubles for Vietnam's 1976-1980 economic development plan. In 1975 and 1976 the two sides signed trade payment and technical assistance agreements in which the Soviet Union planned to "help Vietnam in the construction" of 40 new projects and increase the total value of trade by 50 percent. According to statistics, the total trade between the Soviet Union and Vietnam amounted to 200 million rubles in 1975, but it increased by leaps and bounds later and jumped to more than 610 million rubles in 1980. In July 1981 the two sides signed the economic and technical agreement for the period 1981-1985 which stipulates that the Soviet Union should provide "aid" for Vietnam's more than 100 industrial projects. Thus, the Soviet Union has made Vietnam economically dependent on it to a serious extent.

Second, the Soviet Union has been making great efforts to rein in, control and use the Le Duan Vietnamese clique as its "firm outpost in Southeast Asia." It has unconditionally supported Vietnam in raising unreasonable territorial claims to China's Xisha and Nansha Islands, cruelly persecuting and expelling the Overseas Chinese in Vietnam and conducting various regional hegemonist activities in Indochina. In June 1978 the Soviet Union took Vietnam into the COMECON, and in November the two sides signed a "treaty of friendship and cooperation" that was, in essence, a treaty of military alliance. Thus it has tightly bound Vietnam to the chariot of the Soviet hegemonists' expansion. At the instigation and with the support of the Soviet Union, Vietnam compelled Laos to sign the "Vietnam-Laos treaty of friendship and cooperation" and the "border treaty" in 1977, thus establishing the so-called "special relations" between the two countries, and it launched large-scale military aggression against Kampuchea in 1978, occupied Phnom Penh in 1979 and set up a puppet regime there.

Third, through Vietnam, the Soviet Union has demonstrated its military strength in the Indochinese area on a large scale. Since 1980, the Soviet Union, under the pretext of "aid," has continuously sent arms and military equipment, the average daily value of which has amounted to more than $3 million, into Vietnam. It has equipped the Vietnamese Army and Navy with Soviet-made bombers, fighter planes, "Petya" class escort vessels and other warships. At the same time, a large number of Soviet military advisers and specialists have poured into Vietnam. Their number now totals more than 10,000, and they control the Vietnamese Army, Navy and Air Force. The Soviet Union is speeding up its establishment of military bases in Indochina. As was reported, the former American large-scale, modern military bases in Vietnam, such as Cam Ranh Bay and Danang, have now become Soviet naval bases. Moreover, the Soviet Union has built a navy base in Kompong Som, Kampuchea and a series of radar stations, electronic reconnaissance installations and ground-to-air missile bases along the coastal areas and the Sino-Vietnamese border areas in Vietnam and in many places in Laos and Kampuchea. Because it has obtained military bases in the three Indochinese countries, the Soviet Union has greatly increased its military strength in the Pacific and Indian Oceans. This has made it possible to push its Pacific Fleet 2,000 nautical miles further south and expand the area of its activities to the Gulf of Thailand. Soviet long-range reconnaissance planes and intelligence ships of various types have been collecting information on a large scale in the Southeast Asian sea area, using Vietnam as their base.

The fact that a Soviet military force has entered Southeast Asia on a large scale has greatly worried the countries there as well as intensified its threat to the United States, Japan and other countries. If the Soviet Union launches an attack from its bases in Vietnam, it can immediately cut off the vital channel that connects the two oceans and is vital to the United States and Japan. Thus, it can establish strategic supremacy over the United States in the entire "dumbbell-shaped area" from the Persian Gulf in the Indian Ocean to the Pacific Ocean.

Fourth, the Soviet Union continues to collude with Vietnam in its international activities. They are striving to legalize their aggression against Kampuchea and are trying every political and diplomatic means to give a legitimate appearance to the puppet regime in Kampuchea. For example, at the United Nations General Assembly sessions, the Soviet representative has time and again tried to deprive Democratic Kampuchea of its legitimate seat in the United Nations and attempted in vain to force the seating of the representative of the Kampuchean puppet regime in the United Nations. Brezhnev even personally "invited" the head of the Kampuchean puppet regime to visit Moscow in order to raise the regime's prestige in the world and to give it a legitimate appearance. However, because of the opposition of the countries in the world that uphold justice, and especially of the ASEAN countries, the United Nations has not only consented to Democratic Kampuchea's retention of its legitimate seat, but has also passed one resolution after another demanding the withdrawal of the Vietnamese Army from Kampuchea.

The Soviet Union, seeing that the attitude of the ASEAN countries is of key importance if the Soviet Union and Vietnam are to change their isolated position in the world caused by the Kampuchean problem, has tried hard to persuade the ASEAN countries to get over the "misunderstanding caused by the Kampuchean clash." It has asked the ASEAN countries to hold talks with Vietnam and promises that if only ASEAN recognizes the Kampuchean puppet regime, all the problems troubling the ASEAN countries, such as those related to the Vietnamese refugees and the "security" in Southeast Asia, will be "readily solved." This hypocritical attitude of the Soviet Union has been exposed and denounced by the ASEAN countries.

The expansion in Southeast Asia of the Soviet Union and Vietnam in collusion has further revealed the hegemonist nature of the Soviet Union to the world's people and made the Soviet Union even more isolated in the world. The heroic Kampuchean people have persisted in their patriotic armed struggle and have placed the Soviet and Vietnamese hegemonists in a more and more difficult predicament and in a more and more passive political position. At the initiation of the active efforts of the ASEAN countries, the United Nations passed a resolution to hold an international meeting on the Kampuchean problem in the summer of 1981, which was to be attended by dozens of countries. During the meeting the correct demand for the withdrawal of the Vietnamese Army was again passed. In October 1981, the UN General Assembly approved the report by the international meeting on the Kampuchean problem with an overwhelming majority and reiterated its resolution, demanding the complete withdrawal of Vietnamese troops from Kampuchea.

The development of the situation in Southeast Asia at present is very unfavorable for both the Soviet and the Vietnamese hegemonists. But we should not fail to see clearly that the Soviet Union will never be easily compelled to change its expansionary policies in Southeast Asia. In September 1981 Brezhnev held secret talks with the so-called heads of the three Indochinese countries in the Crimea and drew up the new strategy of continuously holding "dialogues" with ASEAN, "softening the attitude" of the ASEAN countries, demoralizing and dividing them. The people of the Southeast Asian countries and people throughout the world have to persistently carry on a blow-for-blow struggle to stop the Soviet hegemonists' expansion in Southeast Asia and throughout the world so as to safeguard peace in Southeast Asia and in the entire world.

CSO: 4004/23

IT IS NECESSARY TO CONSTANTLY AND CONSCIOUSLY STUDY COMRADE MAO ZEDONG'S SCIENTIFIC WRITINGS

Beijing RED FLAG in Chinese No 3, 1 Feb 82 inside back cover

[Article by Chen Zhongbang [7115 0022 6721] of PLA Unit 35201]

[Text] The "resolution" passed by the 6th Plenary Session of the 11th CCP Central Committee points out: "Mao Zedong Thought is the invaluable spiritual wealth of our party, and it will guide our action for a long time to come." Therefore, it is very important to constantly and consciously study Comrade Mao Zedong's scientific writings. But in the recent past a number of places and units did not pay attention to the study of political theory; in particular, there has been the tendency of paying no attention to the study of Comrade Mao Zedong's works. Not long ago, our unit carried out investigations on studying in the army and the results were that most units and individuals basically have not studied Comrade Mao Zedong's works in the past few years. As a consequence, we feel this is a weak link in political theory education, that is, not to actively encourage the study of Comrade Mao Zedong's scientific works.

We found from our investigations that there are several reasons for this situation. First, our young cadres at various levels and most fighters do not really understand the great contributions and achievements of Comrade Mao Zedong and the scientific system of Mao Zedong Thought, nor do they really understand the importance and necessity of studying Comrade Mao Zedong's scientific works. Second, some comrades cannot differentiate between Mao Zedong Thought and the mistakes made by Comrade Mao Zedong in his later years; they do not know what they should be studying. This occurrence has been one of the main reasons for there being an unwillingness or fear to study. Third, some units and individuals have mixed up the good atmosphere and the good method in the mass study of Comrade Mao Zedong's works with the absurd theory, formalism and pragmatism that were peddled by Lin Biao and the "gang of four" and consequently, they have completely denied the initiative of the masses. Fourth, the leadership of some units and political organizations are worried and doubtful and they have taken a wait-and-see attitude. Therefore, they have neither taken the lead in study nor conscientiously analyzed and solved various misunderstandings among the masses by organizing study sessions.

In order to change this situation and restore the good atmosphere in the study of Comrade Mao Zedong's works, we suggest that it is necessary first of all to study the "resolution," fully understand the historical contributions and achievements made by Comrade Mao Zedong and the scientific value of Mao Zedong Thought and understand that Comrade Mao Zedong's scientific writings were, are and will continue to become invaluable spiritual wealth in our study and inheritance, so as to unify our thinking on the basis of the conclusion of the "resolution." This is the basic premise and ideological foundation for studying well Comrade Mao Zedong's scientific writings. In addition, it is necessary to continue to eradicate the influences of the "left" and other wrong ideas in our study and practice, further restore order theoretically and draw a distinction between Mao Zedong Thought and the mistakes he made in his later years. We must overcome the trend of unwillingness to study Comrade Mao Zedong's scientific writings because he made mistakes in his later years; we must also overcome the tendency of adopting his wrong views and denying that his views in his later years were wrong and subsequently continuing to hold such views. That is to say, we must study correctly. The leadership and political organizations at various levels must correctly understand and analyze the study situations in their respective units. They must understand that some comrades are disgusted with study and are passive because of the influence of wrong ideas; but at the same time they must also understand that many comrades respect Comrade Mao Zedong and are aware of the great role of Mao Zedong Thought and consequently, they have a desire to study. With such an understanding, the various leadership and political organizations will have the courage to advocate study and organize various army units to study well. We must correctly sum up experiences and draw lessons from our study in the past, persist in the principle of giving guidance so as to basically improve the consciousness of the masses in their study. It is necessary to work out practical planning, take concrete and effective measures, sum up experiences in time, constantly improve the method of study and raise the study level. A key question for consciously carrying out this study to attain certain achievements is that the leadership at various levels must take the lead in the study. Therefore, the leadership at various levels must strive so that they will become pace setters in the study and use of the stand, viewpoint and method of Mao Zedong Thought in guiding all of their work.

We believe that so long as we are able to consciously study well the "resolution" and actively lead and organize well the study of Comrade Mao Zedong's scientific writings, we will be able to build a good study atmosphere and Mao Zedong Thought will be handed down generation to generation to steadily guide our cause on the correct road.

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CONTENTS

Pull Ourselves Together in Establishing a Good Party Work Style (pp 2-5)
(Editorial Department) 1

Severe Punishment Should Be Given to Leading Cadres Who Violate Laws and Commit Crimes (pp 6-8, 38)
(Commentator) 7

In Promoting Agricultural Production It Is Necessary To Place Main Emphasis on Planned Economy While Giving Market Regulation a Supplementary Role (pp 9-14)
(Zhang Jingfu) 14

Maintain and Carry Forward the True Colors of the Working Class (pp 15-18)
(Gu Dachun) 26

Some Views Concerning Current Filmmaking (pp 19-21, 40)
(Xia Yan) 33

A Corner of the Chinese Countryside (pp 22-28)
(Mu Qing, et al.) 39

It Is Necessary To Conduct Systematic Education on Marxist Theory Among the Cadres (pp 29-30)
(Wang Huide) 51

Leading Cadres Must Take the Lead in Study (p 31)
(Commentator) 54

Do Solid Work and Advance in Steady Strides--Notes on Reading Comrade Chen Yun's Economic Writings (pp 32-35)
(Liu Xiyao) 56

The Potential for Achieving Better Economic Results as Seen From the Management of Enterprises in Shashi Municipality (pp 34-36)
(Mu Changsheng).. 61

Conscientiously Do a Good Job in the Important Task of Handling Letters and Visits (pp 37-38)................................ 66

Bowing One's Head and Giving Way to Others (pp 39-40)
(Lin Wenshan).. 70

Scientists Discuss Synthesizing of T-RNA (pp 41-44)..................... 73

'Stagflation'--A New Chronic Disease in the Imperialist Economy (pp 45-48)
(Guan Mengjue).. 80

On 'Dredging' and 'Blocking' (inside back cover)
(Wang Shumin).. 87

PULL OURSELVES TOGETHER IN ESTABLISHING A GOOD PARTY WORK STYLE

Beijing RED FLAG in Chinese No 4, 16 Feb 82 pp 2-5

[Article by Editorial Department]

[Text] Over 5 years have passed since the smashing of the "gang of four." The history of over 5 years can be subdivided into three stages. The first stage was from the smashing of the "gang of four" to the 3d Plenary Session of the 11th CCP Central Committee. In these 2 years, we did a lot of work but there were also some shortcomings in our work. Comrade Deng Xiaoping referred to this as advancing amid hesitation. The second stage was from the third plenary session to the sixth plenary session in which we brought order out of chaos in an all-round way and began to shift the focal point of the party's work to economic construction. The third stage was from the sixth plenary session, that is, from July 1981 to the present. The communique of the sixth plenary session states: "This session will go down in history for fulfilling the historic mission of setting to rights things which had been thrown into disorder in the guiding ideology of the party." That is to say, in the guiding ideology of the party, the historic mission of setting to rights things which had been thrown into disorder has been fulfilled. Naturally this does not mean that in practical work all the tasks of bringing order out of chaos have been fulfilled. For example, in implementing the policies a lot of work is yet to be accomplished and there are also similar cases in other aspects. What should we do then in the days to come? What is the focal point of the work of the whole party? The resolution of the sixth plenary session states: "This session calls upon the whole party, the whole army and the people of all nationalities to act under the great banner of Marxism-Leninism and Mao Zedong Thought, closely rally around the CCP Central Committee, preserve the spirit of the legendary foolish old man who removed mountains and work together as one in the defiance of all difficulties so as to turn China step by step into a powerful modern socialist country which is highly democratic and highly cultured." The most important part of this paragraph is the spirit of the legendary foolish old man, of working together as one, defying all difficulties and building a powerful modern socialist country which is highly democratic and highly cultured. The task has been presented very explicitly. According to this guideline, in reviewing the historical process of the past 5 years and more, we can summarize it into the following points: First, putting an end to the confusing state of affairs; second, setting to right the reversal of right and wrong; third, developing the national economy; and fourth, building socialist spiritual civilization. It will take several decades of arduous struggle to gradually build our country into a modern socialist country which is highly democratic and highly cultured. As stated by the sixth plenary session, it is all the more necessary for us to concentrate our efforts on the socialist modernization drive and build socialist material and spiritual civilization in an all-round way. Efforts should be made to achieve greater progress year after year in the economic, political, cultural and social development of our country.

To promote our cause year after year, the crucial issue is that of the party, that is, to build our party well. Building our party well depends on, first, whether the party's line, principles and policies are correct and second, whether the party's ranks have firm combat strength. It is necessary for all the comrades in the party to constantly pay close attention to the two questions. On the question of line, principles and policies, Comrade Mao Zedong was quoted as saying that line decides everything, which means that the correctness or incorrectness of the line, principles and policies and their conformity or lack of conformity with reality decide the success or failure of the entire cause of our party. Over the past 3 years, that is, since the third plenary session, China's internal situation has improved immensely under the guidance of the whole series of correct line, principles and policies of the CCP Central Committee. Naturally, with the constant development of history, new situations and new problems have constantly emerged, and the party's line, principles and policies should also be constantly enriched, developed and perfected. Therefore, all comrades in our party should unswervingly and unhesitatingly support the present line, principles and policies of the CCP Central Committee. At the same time, we should also open up new prospects by constantly studying new situations, finding new methods and solving new problems. All comrades in our party should pull themselves together and be prudent in order to remain sober-minded and correct in the line, principles and policies and avoid making great mistakes.

Now the major problem confronting us is that of the second aspect, that is, the lack of combat strength in the ranks of our party. This is a widespread problem and a very grave one at that. On many occasions during the Yanan period, Comrade Mao Zedong pointed out that the lack of combat strength in some of our party organizations was due to three factors, that is, ideological and organizational impurity and inappropriate work style. His analysis is still of great guiding importance today. This makes it necessary for us to pay constant attention to the ideological and organizational impurity and inappropriate work style in the party organizations. This is a fundamental question in striving for a decisive improvement in party work style.

Ideological impurity may have different manifestations in different historical periods. Before the Yanan period, ideological impurity manifested itself mainly as subjectivism, namely, dogmatic subjectivism. Today, ideological impurity manifests itself mainly as bourgeois liberalism and ultra-individualism that has contaminated the minds of some party members. They do not have confidence in the proletariat, in socialism or in the party. Instead, they have faith in the bourgeoisie and capitalist countries and practice ultra-individualism. At the same time, some people still have remnant feudal ideas or have not eliminated the "leftist" ideas in their minds.

An inappropriate work style means bureaucracy and the serious tendency to be alienated from the masses. Comrade Deng Xiaoping in his criticism stressed bureaucracy and the tendency to be alienated from the masses. Overlapping and overstaffed administration, shifting responsibility onto others and arguing back and forth over small things, doing one's work without investigation and failure to criticize and fight unhealthy tendencies are all manifestations of bureaucracy.

Organizational impurity refers to the fact that there are party members who have totally departed from the party's correct stand and are completely unqualified for party membership. Some of them may be called remnants of the "gang of four" or the gang's cat's paws. They are "party members" who are shameless and who do not have the slightest bit of what it takes to make a Communist Party member. Are there a great number of these people? We must not overestimate their strength, but neither should we underestimate it. We should maintain a high degree of vigilance against it.

The tendency to ignore or even oppose the party's leadership as well as activities in violation of law and discipline are examples of problems in the party's ideology, work style and organization. Some people oppose the present policies of the CCP Central Committee under various banners. For example, they flaunt the banner of representing the interests of the party and the people or defending certain interests or even flaunt the banner of upholding the dictatorship of the proletariat, which in fact they oppose, the party's line, principles and policies, oppose socialism and oppose the party's guiding ideology--Marxism-Leninism-Mao Zedong Thought. Some other people wantonly engage in activities in violation of law and discipline, such as practicing graft, giving and accepting bribes and engaging in smuggling and selling of smuggled goods in a big way. In some localities, they have cheated the state of its property and caused several millions of yuan or tens of millions of yuan in property losses to the state. There are also some people holding leading posts who have been irresponsible in their work for a long time with the result that the work and the cause suffer and both the state and the people suffer losses. Furthermore, cadres at the county and commune levels in some localities refuse to go to work in order to do farm work at home all the year round. They receive wages from the state as usual while deriving income from farming. Can this state of affairs be allowed to exist?

At present, what merits our particular attention is that some cadres who are party members, and even some cadres holding leading posts, have also committed serious illegal and criminal acts, such as smuggling and selling smuggled goods, embezzling or taking bribes and grabbing large quantities of state property. These illegal and criminal activities in the economic field have damaged the party's prestige and aroused the indignation of party members and the masses of people. This is a life-and-death question for the party. The whole party must pay close attention to it and deal with it resolutely, seriously and conscientiously. Severe punishment must be meted out to those criminals proven to have committed serious crimes, especially those who occupy leading posts. We should not be irresolute and hesitant, for to tolerate evil is to abet it.

Over the past few years we have talked about the question of party work style in our press almost every day. Comrade Chen Yun's words that "the question of work style of a party in power is one that has a strong bearing on the life and death of the party" in particular have been relayed to all people, high and low. There are quite a few people, however, who, when criticized, will say that it refers to others and that they are an exception. The words and deeds of these people who pose as exceptional party members and who disregard law and discipline have reached an intolerable degree of seriousness.

Over 5 years have passed since the smashing of the "gang of four" and over 3 years have passed since the convocation of the 3d Plenary Session of the 11th CCP Central Committee, but the party work style has not fundamentally improved. Why? There may be various reasons but, generally speaking, there are roughly four points:

First, there is a lack of good understanding of the situation. Quite a few CCP committees do not have a good understanding of the situation. What problems do you have in your units? Have you discovered them? Have you investigated them? They have no idea about them. A few CCP committees fail to investigate the problems when they discover them, but they always put in a good word for the cadres at the lower levels. They turn big problems into small problems and small problems into no problems at all by saying that the work in their unit is really a hard nut to crack and that there are a lot of practical difficulties and so on. Without understanding the situation, it would be impossible to make a correct strategic decision or a correct determination. Comrade Mao Zedong said while he was in Yanan that some people are completely in the dark about the situation and try to catch sparrows by closing their eyes. Sparrows can fly. How is it possible to catch them by closing one's eyes?

Second, some comrades do not keep a clear head or a clear orientation. For a time, improving party work style has been exclusively a question of eliminating special privileges, which is inappropriate. We do not mean that special privileges should not be opposed, but if we reduce the question of party work style, which has a bearing on the whole party and on various aspects, into one of special privileges, we will certainly come to grief. They are two basically different things. In improving party work style, it is first of all necessary to pay attention to the question of political line, to the question of ideological and organizational impurity and inappropriate work style and to their concentrated manifestations at present.

Third, some comrades have incorrect methods of work. That is to say, they do not bring into play the positive factors of the whole party and do not mobilize the masses. Good comrades account for the great majority in our party and it is necessary to ask them to air their views. It will not do to rely on just a small number of people. We should rely on the numerous good cadres and the activists among the broad masses to overcome the unhealthy tendencies, to wage struggles against activities in violation of law and discipline and to punish the extremely small number of people who have seriously violated law and discipline, particularly those active criminals.

Fourth, some comrades in our leading organs, particularly the various departments and commissions of the CCP Central Committee and the leading organs at the provincial and municipal levels, do not have sufficiently strong determination. They always say that this matter involves numerous difficulties and it is impossible to solve it. First they say, "let us leave it at that" then, "let us go about it slowly." They say that lice will not bite when there are too many of them. How can that be? Since there are so many lice, it is necessary to catch them one by one. Naturally we should go about things steadily and reliably but we should have strong determination. Without determination, bringing order out of chaos is out of the question. Let us consider the following matters. Over the past few years we have brought order out of chaos on a few major problems. Can we achieve this without determination? The sixth plenary session has solved two major problems: one is the resolution on certain questions in the history of our party and the other is the leading body. Can we achieve this without determination? In dealing with some matters, we should be vigorous and resolute regardless of the difficulties and strictly enforce orders and prohibitions. Many of our good comrades have over the past few years acquired the bad habit of trying not to offend anybody. They do not dare to offend others and carry out criticism and self-criticism, preferring to "plant more flowers but fewer brambles." It will be impossible to improve party work style if the situation goes on like this. The CCP committees and discipline inspection commissions at various levels should unite closely around the CCP Central Committee, and an important sign of this close unity is to pull ourselves together in establishing a good party work style. How can we unite closely around the CCP Central Committee in the absence of this point? In brief, without having a firm grasp of party work style, we cannot begin to talk about uniting closely around the CCP Central Committee. If we succeed in establishing a good party work style and party discipline, all other problems can be easily solved.

In order to fundamentally improve party work style, all party members and party cadres, especially leading cadres at various levels, must strictly uphold the principles guiding the political life of the party and carry out criticism and self-criticism conscientiously instead of perfunctorily and superficially. Every Communist Party member should conscientiously examine his words and deeds, especially his behavior since the 3d Plenary Session of the 11th CCP Central Committee in order to determine whether he meets the criteria of a party member and whether he has fulfilled his duty as a party member. For example, we should ask ourselves: first, whether we have resolutely implemented the party's line, principles and policies; second, whether we are conscientious in the tasks entrusted to us by the party and in our jobs; third, whether we have exemplarily abided by and have not violated the principles guiding the political life of the party and the laws and decrees of the state; fourth, whether we have upheld the party principles and dared to resist and wage struggles against bourgeois liberalism, ultra-individualism, anarchism, bureaucracy in the party as well as the erroneous words and deeds of forming factions and engaging in factional activities; and fifth, whether we have been concerned with the masses, have linked closely with the masses and shared the comforts and hardships of the masses. These are the major signs that determine whether a party member has a good party character, work style and discipline. We believe that so long as each of our party members sets strict demands on himself according to the criteria of party character, work style and discipline and is ready to correct his mistakes, there will certainly be a marked improvement in the work style of our party.

All party members must remember that our party's sole purpose is to serve the people. Over the past several decades, our party has made indelible contributions to the national liberation and the victory of the socialist cause and enjoyed the respect and confidence of the people of all nationalities throughout the country by fighting valiantly and advancing wave upon wave. Now we are shouldering the heavy historical responsibility of leading the people of the whole country in building a powerful modern socialist country. The 1 billion people are placing high hopes on us and the examples of innumerable revolutionary martyrs are encouraging us. Can we not continue to give play to our exemplary vanguard role and further raise the party's combat effectiveness? How can we tolerate the continued contamination of our party by various filthy elements? The noble character of our fighters lies in getting rid of the old to make way for the new. In the new struggles, the whole party should strive for new victories by promoting our militant spirit and uniting the people of the whole country!

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SEVERE PUNISHMENT SHOULD BE GIVEN TO LEADING CADRES WHO VIOLATE LAWS AND COMMIT CRIMES

Beijing RED FLAG in Chinese No 4, 16 Feb 82 pp 6-8, 38

[Article by Commentator]

[Text] Since the beginning of the new year, the party committees at all levels and their discipline inspection commissions and the judicial departments of the governments at all levels have been paying close attention to investigating and handling major criminal cases, especially those involving leading cadres, involving smuggling, trafficking in smuggled goods, speculation, embezzling, taking bribes and appropriating large amounts of state property. They have been resolutely looking into these cases and thoroughly investigating them, and have punished the offenders in accordance with the law. This is something that has won the most vigorous support of the people and something that has immensely satisfied the people. Undoubtedly, this will vigorously promote the rectification of party work style and improve the general mood of society.

During the past few years, along with the development of the work of bringing order out of chaos, the CCP Central Committee has constantly exhorted the whole party membership and especially the leading cadres at all levels and told them that first, they should not take part in unhealthy practices, and second, they should combat all kinds of unhealthy practices. We must say that most of the leading cadres have lived up to the instructions of the party and the expectations of the people. They have not only maintained their integrity and persisted in always working in the interest of the public, but have also been able to conscientiously pay attention to the work of correcting the unhealthy trends and have striven to improve party work style. In the eyes of the people, what they have done is satisfactory. Nevertheless, we should not fail to see that there is still a small number of leading cadres who are not acting in this manner. Some of them turn a blind eye to the economic criminal activities that have been occurring right under their noses and allow these activities to go on unchecked. This shows how lax and weak they are. Others have adopted an indulgent attitude toward these activities, and thus they, in fact, have supported and shielded the offenders. Still others have even colluded with the offenders and directly or indirectly taken part in, or plotted behind the scenes, economic criminal activities. This is one of the major reasons why there still fails to be a basic change in party work style as well as one of the major reasons why criminal activities in the economic field have remained unchecked.

How could economic criminal activities have run rampant, if, despite laxity and weakness, a few leading cadres in our party and government organizations and enterprises had not indulged, supported, shielded or even directly taken part in these criminal activities? Judging from various areas' major economic criminal cases which have either been investigated and handled or are currently being investigated and handled, we can see that these cases have the following points in common: establishing ties with both the higher and lower levels; domestic and foreign collusion; many cliquish activities; huge monetary sums; crafty operational methods; and generally speaking, cadres' involvement in these activities. In particular, some cadres holding leading posts not only give the green light to all types of criminals and act as such criminals' "protective umbrella" but also participate in smuggling activities, buy and sell smuggled goods, are corrupt, accept bribes and steal large amounts of state property. In fact, they themselves are criminals. The former CCP secretary and director of the Guangzhou Municipal Telecommunications Bureau, Wang Weijing, is just one such example. The number of such people is small, but their evil impact is very great and serious. This is because these people have power in their hands and their criminal activities are thus facilitated. They often conduct evil activities under the excuse of serving the interests of the "public" and try to make illegal activities appear "legal." They have not only caused especially serious economic losses but have also destroyed the prestige of our party and corrupted the work style of our party and the general mood of our society. This is an inestimable political loss. If we want to bring about a decisive change for the better in party work style this year, we should adopt resolute and powerful measures, including the important measure of handling gravely the problems of the illegal and criminal offenses of leading cadres. Failure to solve this problem will make it impossible to rectify party work style and to improve the general mood of society or to stabilize public security. We should never treat this problem lightly.

Our party is a party in the ruling position and our country is a socialist country under the people's democratic dictatorship. All our leading cadres at any level can only be the servants of the people, no matter how high their ranks are, how long they have been participating in the revolution and how many contributions they have made to the party and the people. They only have the duty to serve the people wholeheartedly, but have no special privileges. The power in their hands is endowed by the party and the people, and must be used to serve the people. Anyone who uses the power endowed to him by the party and the people for private ends is deserting the cause of serving the people. This will result in the masses of people losing confidence in him. Moreover, if he uses his power to engage in smuggling, trafficking in smuggled goods, speculation, bribery or other crimes, he will not be treated leniently under party discipline and under state law. The "guiding principles for inner-party political life" clearly and definitely provides that, "CCP members are never allowed to use their official positions to seek private ends." The following is also clearly and definitely stipulated in the "criminal law" of our country: "State functionaries who exploit their offices to engage in smuggling and speculation must be severely punished." These regulations were not made without good reason. Some young people in society received judicial punishment because they pursued money and material ease and comfort and committed crimes of theft and robbery. We say that they got what they deserve. On the other hand, what should be done if some leading cadres cannot resist the bourgeoisie's attack with sugar-coated bullets, lose the morality and qualifications of a CCP member and pursue money and material ease and comfort by exploiting their official positions to engage in smuggling, trafficking in smuggled goods, speculation, embezzling, bribery and other criminal activities? Why should they not receive the legal punishment they deserve? The current problem is that those cadres who commit crimes have not been strictly dealt with according to law and that quite a few major criminal cases involving leading cadres have not been handled in a timely manner. These things really should not have happened. We must stress that everyone is equal before the law. Our party can never allow the existence of those special party members and cadres who are not bound by party discipline and state law. We must seriously investigate and handle all those major economic criminal cases that involve leading cadres. Proven criminal cases and serious offenses must be strictly handled as quickly as possible according to the law. We should prosecute and punish those people who should be prosecuted and punished and should also strictly handle those cases that should be strictly handled; otherwise, we will not be able to destroy the arrogance of criminals in the economic field. As Comrade Mao Zedong said well, "No matter how many good deeds you did in the past and no matter how high your post, if today you are not doing a good job, not solving problems correctly and thus harming the people's interests, they will not forgive you." ("Selected Works of Mao Zedong," Vol 5, p 422) We should never copy the practice of "senior officials are not liable to judicial punishment" which was prevalent in the old society.

Our party has always opposed the practice of bureaucrats shielding one another. Whoever has done things that harm the interests of the people should be criticized and educated, if his case is not serious, or be punished, if his case is serious. As far back as more than 40 years ago, Huang Kegong, the then leader of the sixth team in the anti-Japanese military and political university, shot and killed a female student in the northern Shaanxi government school, because he failed to coerce her to marry him. He was sentenced to death by the supreme court of the Shaanxi-Gansu-Ningxia border area. Although he joined the Red Army when he was very young and had a glorious record in taking part in the fighting in the Jinggang Mountains and the 25,000-li Long March, he could not be forgiven since he had committed a serious crime. In his letter to Lei Jingtian, presiding judge of the criminal court in the supreme court of the Shaanxi-Gansu-Ningxia border area, Comrade Mao Zedong said, "It is precisely because Huang Kegong differs from common people and it is precisely because he has been a CCP member and a Red Army man for many years that we cannot help but do so." "How can we educate our party members, our Red Army men and our revolutionaries or even our common people, if we pardon him?" It was precisely for the same reason that during the initial period after the founding of the PRC, in the campaign of the "three anti's" and the "five anti's," Liu Qingshan and Zhang Zishan were sentenced to death for embezzling huge sums of money. We did not pardon them on the grounds that they had been CCP members and leading cadres for many years. We must apply the most severe legal sanctions against cadres who commit serious crimes and particularly against criminal cadres holding leading posts. This will demonstrate our party's qualities of being open, aboveboard and impartial. By so doing, the vast numbers of party members and cadres can be educated by and learn a lesson from such sanctions. The more important thing is that the broad masses of the people see that our party does not practice favoritism and thus can develop greater confidence in our party. At present, we are seriously investigating and handling major economic criminal cases and are publicly dealing with those leading cadres who have violated the law and committed crimes. The broad masses of the people are not dejected by such scum in our party and within the cadre ranks. On the contrary, they are inspired by our current actions and now have greater faith in the prospects of our party and our country. This is a matter of course.

We all know clearly that we can never completely avoid the occurrence of a few people in the ranks of our party and our cadres violating law and discipline, doing evil things or even committing crimes. In the prolonged course of revolution, it is inevitable that a small number of evildoers have wormed their way into our ranks, and it is also inevitable that some weak-willed people in our ranks degenerate. This is especially true now after the decade of turmoil. Under the present specific historical conditions, there are, in our cadre ranks, remnants of the Lin Biao and Jiang Qing counterrevolutionary cliques, people who have been deeply influenced by the two counterrevolutionary cliques' reactionary idea of "power means everything," scum of the old society who have sneaked into our cadre ranks during the decade of turmoil and the degenerate elements who have not been able to resist the corrosion of bourgeois ideology since we began to carry out an open-door external policy. These people have nothing in common with a communist or a revolutionary, and it is impossible for them to observe law and discipline. The key lies in what attitude we adopt toward them. "Fostering wild grass will harm crops and leniency to criminals will harm the people." We should constantly purify our ranks and should never allow these people to commit evil deeds, damage the party's prestige and harm the interests of the people. If we do not sternly deal with the leading cadres who have violated the law and committed crimes but indulge them, then unhealthy practices and trends will develop unchecked and the ranks of our party and cadres will be corrupted and we will be seriously divorced from the masses. The result will be unimaginably evil.

At present, concerning the handling of the criminal cases in the economic field, some people are advocating the idea that "we should be lenient this time and for just one time." In fact, by "being lenient for just one time" they mean, to make it very clear, shielding criminals. This will create the precedence of shielding offenders and criminals in the future. By so doing, on the surface, we would seem to have investigated and handled the cases of smuggling, trafficking in smuggled goods, speculation, embezzling, bribery and other offenses, but in reality, we would not have solved any problem. By so doing, we will neither mete our proper punishment to the criminals, nor facilitate the rectification of party work style and improve the general mood of society. What is even more serious, by so doing, we will inevitably be divorced from the masses. People may say that we are still conducting the practice of "bureaucrats shielding one another," and, therefore, lose confidence in our ability to rectify party work style and improve the general mood of society. That is why we must sternly handle the illegal and criminal cases of smuggling, trafficking in smuggled goods, speculation, embezzling, bribery and other offenses that have been committed by leading cadres. That is why we must never indulge these leading cadres under the excuse of "being lenient for just one time."

Obstructions will be encountered in strictly handling according to law those leading cadres who have violated the law and committed crimes. Where do these obstructions come from? Such obstructions primarily come from the higher level. Of course, they also come from the lower levels. When a leading cadre violates the law or commits crimes, he often colludes with people at lower levels, some of whom help him and some of whom follow him. Moreover, there are cases of some leading cadres who have been corrupted by criminals under them and thus they themselves have become involved in offenses and crimes. Those who are involved in the offenses and crimes at the lower levels will inevitably create a variety of obstacles to our investigative work and they may even play the trick of sacrificing insignificant accomplices to protect the ringleaders. Besides, in some areas where factionalism is serious, the leading cadres who have violated law and committed crimes are often the leaders of certain factions and the members of their factions may try to protect them when they are being investigated. We should take all these factors into fullest account and should not treat the problem as being very simple. Nevertheless, we must also see that the broad masses resolutely and vigorously support us in investigating economic offenses and crimes. The obstructions from the lower levels are only a problem involving a small number of people and are therefore relatively easy to deal with, however serious they may be. What we should pay special attention to at present are the obstructions from the higher level, namely, the problem of whether the major leaders in some leading departments are not resolute and prompt enough. This is a problem of vital importance. As long as the higher levels are resolute and prompt and have adopted strong measures, the obstructions from lower levels can certainly be removed. The major reasons for not handling or for failing to finish some major cases over a long period of time are that such cases involve some leading cadres and that such leading cadres' immediate superiors are irresolute. In this respect, there are also many different causes. Some leaders find it hard to handle the cases sternly because these cases involve their old comrades or old subordinates. Others hesitate in thoroughly investigating the cases because they themselves have committed some mistakes and are apprehensive that a thorough investigation will not only expose the crimes and offenses of others but may also disclose their own mistakes. Still others have been affected by the decadent and philistine "study of relations" and tried to never offend anybody. There are also leaders who treat violations of the law and crimes as ordinary unhealthy practices and are of the opinion that it is difficult to handle these violations and crimes because so many people are involved. All these wrong ideas have directly hindered the investigation of the offenses and crimes involving leading cadres. Therefore, the prerequisite for investigating major criminal cases and seriously handling those leading cadres who have violated the law in a serious way and committed serious crimes is that higher authorities must have great determination. Comrade Li Xiannian clearly pointed out on behalf of the CCP Central Committee that "this is a major issue that concerns the destiny of our party and our state and we must resolutely, vigorously and speedily deal with it and never relax our efforts until we really solve it." In order to strive to bring a decisive change for the better in party work style, we must resolutely deal blows at all serious offenses and crimes including smuggling, trafficking in smuggled goods, speculation, embezzling and bribery. We should make greater efforts to firmly and strictly handle major cases involving big shots in large organs. The leading groups at all levels must firmly maintain the stand of the party, overcome all variety of wrong ideas, give priority to the interests of the party, of the state and of the people, and do their duty in investigating major criminal cases. Otherwise, if they adopt a diametrically different attitude, turn blind eyes and a deaf ear to major criminal cases that are directly under their noses, or make perfunctory investigations and misrepresent major problems as small problems or even plead for mercy for offenders, absolve offenders from guilt and indulge and shield offenders, they will not be treated leniently under party discipline and state law.

Sternly handling major economic criminal cases and resolutely solving the problem of violations of law and committing of crimes by a small number of leading cadres is a major issue that concerns the task of ensuring that socialist material civilization is saved from damage and the task of promoting the daily development of socialist spiritual civilization. This issue has already aroused the close attention and concern of the broad masses of people. Our whole party membership and all work personnel in state organizations and enterprises who are party members should draw lessons from the handling of major criminal cases, especially those involving leading cadres. Thus they will regard pursuing private ends as a most shameful thing and set strict standards for themselves so as to become good examples in observing law and discipline. Every party member and every cadre must conscientiously examine himself and see how he has observed the law and discipline, whether he has followed the guiding principles for inner-party political life and observed the decrees of the state, whether he has done anything in violation of these principles or decrees, whether he has combated those people who have violated the law and discipline, and whether he has combated these people's deeds. If he finds any shortcomings and mistakes in these respects, then he should overcome these shortcomings and correct these mistakes at once. Otherwise these shortcomings and mistakes will develop and will become very dangerous to him. At present, some of our party members lack party spirit, have a poor work style and are lax in observing discipline. These shortcomings have raised objections on the part of the masses of people. We hope that, through the handling of major economic criminal cases, the broad ranks of party members will be educated. As a result, they will raise their political awareness, consciously intensify their training to develop party spirit, strive to make themselves really qualified party members and bring about a decisive change in our party work style and in the general mood of society.

Every one of us should be fully aware that combating criminal activities in the economic field is a long-term task. Even if all the criminals are punished today, new criminals will crop up tomorrow. This is because our new society has originated from a semicolonial and semifeudal society. The corpse of the old society is not like a human being which can be put into a coffin and buried in a grave. It will rot in the new society and spread its old ideology and customs like the stinking smell of a rotten corpse. The decade of turmoil seriously damaged the fine traditions of our party and thus facilitated the spreading of these old ideology and customs. Moreover, the sharp increase in our contacts abroad during the past few years have also more and more greatly aggravated the corrosive influence of rotten bourgeois ideology and lifestyle and made it a prominent problem. As far back as the eve of the achievement of nationwide victory, Comrade Mao Zedong warned the whole party membership to be on their guard against the bourgeoisie's attack with sugar-coated bullets. We are still faced with such a situation now, but the difference is that the attack now is more serious and on a larger scale. All our party members must keep their minds sober and conduct sustained and resolute struggle against rotten bourgeois ideology and lifestyle.

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IN PROMOTING AGRICULTURAL PRODUCTION IT IS NECESSARY TO PLACE MAIN EMPHASIS ON PLANNED ECONOMY WHILE GIVING MARKET REGULATION A SUPPLEMENTARY ROLE

Beijing RED FLAG in Chinese No 4, 16 Feb 82 pp 9-14

[Article by Zhang Jingfu [1728 0513 1133]]

[Text] The line, policies and principles laid down by the party since the 3d Plenary Session of the 11th CCP Central Committee have produced good economic results. In particular, the most obvious and outstanding results have been produced in agriculture. Take, for example, the conditions of agricultural production in the past 4 years in Anhui. Natural disasters occurred in 2 of these years (drought in 1978 and waterlogging in 1980) and bumper harvests were reaped in the other 2 (1979 and 1981). The general situation is getting better and better. In 1981, an unprecedented bumper harvest was reaped and an all-round increase was registered in agricultural production. Grain output increased by a big margin and diversified economy also developed to a great extent. Great successes were achieved in agriculture and relatively big developments registered in forestry, animal husbandry, sideline production and fishery. Compared with the preceding year, grain output increased by more than 20 percent, cotton output by 17 percent, output of oil-bearing crops by more than 95 percent, output of tea leaves by more than 10 percent and output of cured tobacco by 240 percent. Total agricultural output value grew by 24.6 percent and the commune members' average income per capita increased by more than 50 yuan. Agricultural production has begun to enter a benign cycle and hopefully will continue to increase in the future if no extraordinarily serious natural disaster occurs. It will increase spirally and not vertically. This is the outcome of the compatibility of the party's line, policies and principles with objective laws.

On what ground do we say that agricultural production has begun to enter a benign cycle?

The peasants' enthusiasm has been really aroused. A series of measures, such as raising the prices of farm products, instituting various forms of the production responsibility system and holding trade fairs, have played a remarkable role in leading agricultural production into a benign cycle. If all people show concern for production and vigorously carry out production and if the objective conditions remain the same it is possible to alleviate the severity of a natural disaster or to greatly increase production when there is no natural disaster. The situation really is getting better year after year. Especially after the various forms of the production responsibility system were established, production has increased and the commune members have earned increasingly more income and improved their living conditions year after year. Of course, two conditions still require our close attention: first, even in a good year, there are a few localities which suffer from natural disasters and reap poor harvests; second, 5-10 percent of the households still have difficulties and are lagging very far behind the "outstanding" households although their life is much better than before. We must be sober-minded and earnestly help the disaster-stricken areas and needy families to solve the problems they have encountered in production and daily life. However, generally speaking, the countryside has really been permeated with a new and dynamic atmosphere during the past few years.

As a result of eliminating the practice of issuing arbitrary and impractical instructions, which is a practice that runs counter to objective laws, the grassroots units and the peasants are given decisionmaking power. With this essential power, they give full play to their strong points and develop agriculture, forestry, animal husbandry or fishery according to local conditions. For this reason, the internal structure of the agricultural economy and the geographical distribution of productive undertakings have been rationally readjusted, and the old method of exclusively grasping farming or grain production has been changed. By proceeding from the point of scoring better economic results and achieving an ecological balance, farming has been given up in areas unsuitable for crop growing, and forestry, tea planting or fishery have been resumed. Diversified economy has developed with each passing day. In particular, household sideline production has developed very quickly. This has brought about much better economic results in agriculture. In Anhui, although some enterprises run by communes and production brigades are relatively backward, new economic complexes have mushroomed and are flourishing. For example, in Liuan Prefecture, more than 22,400 complexes of various types were set up last year, which comprised more than 136,200 peasant households, raised funds amounting to 8.26 million yuan and earned an annual income of more than 15 million yuan.

Agriculture is the foundation. With agricultural production taking a turn for the better, the supply of industrial materials continues to increase. At the same time, the countryside needs industries to supply it with greater quantities of more useful means of production and livelihood. This gives rise to the gratifying, favorable situation in which agriculture promotes industry, commerce and finance. This situation has begun to take shape and will probably develop very quickly. This is because agriculture is a big undertaking and there are 800 million peasants. If industry can support agriculture better, industry and agriculture will promote each other. This will provide a great impetus to the further development of our country's national economy.

The new situation of agricultural production testifies to the correctness of the party Central Committee's estimates. Our country is going through great changes and development, passing from confusion to order and from poverty to prosperity. Some new problems have emerged under these new conditions in the wake of great changes and development. The grassroots cadres and the masses have rich, creative and practical experiences in dealing with these problems. We should seriously conduct more investigations and go deep into reality to learn from the grassroots cadres and the masses, to help them sum up their new experiences, and to draw up new measures for consolidating the achievements and further developing the current favorable situation. The new problems encountered while implementing the various forms of the production responsibility system should be further summed up so that they can be improved and elevated. Those concerning the relations between the cadres and the masses and between the government and the enterprises and those concerning the development of grassroots organizations should be summed up so that these relations and organizations can be further improved and strengthened. Those concerning the new economic complexes and new skills in scientific farming should be summed up in a better way so as to provide guidance for the new complexes and to popularize the new skills. The relationship between planned economy and market regulation is an outstanding question at present. This question urgently needs to be correctly solved under the new conditions because the commodity rate in agricultural production has increased as the peasants have solved their food problem. For example, in Anhui, the commodity rate of grain has increased from around 22 percent to more than 25 percent, that of rapeseed has exceeded 80 percent, and almost all of other cash crops and subsidiary agricultural products have been sold as commodities. After their prices were raised, the agricultural products are sold at three different prices in the market, that is, the price of products sold to the state according to the state purchase plan or the quota specified by the state, the price of products sold in excess of the state purchase quota, and the price of products to be sold or purchased by negotiation. This gives rise to new contradictions in the relationship between sale and purchase. Reflected in the plan of crop growing, this involves the question of readjusting the economic levers. Should we place main emphasis on the planned growing of crops or let market prices fluctuate? Industry and agriculture provide a market for each other. Hence the question: In supplying the countryside with the means of production and livelihood, should the industrial departments place main emphasis on the planned supply of goods at stable prices while giving market regulation a supplementary role, or supply the goods at the fluctuating market prices? At present, the supply of many kinds of industrial products falls short of demand. If we adopt the latter method, we cannot basically stabilize commodity prices as a whole.

The party Central Committee has clearly specified the way to handle the new problems arising under the new conditions. We must persist in placing main emphasis on planned economy based on public ownership while giving market regulation a supplementary role. Comrade Chen Yun has talked about this question many times. He said during the Spring Festival at the beginning of this year: Our country has adopted the policy of planned economy. In industry, we should place main emphasis on planned economy; with the implementation of the various forms of the responsibility system in agricultural production, we still must place main emphasis on planned economy. We must thoroughly understand the party Central Committee's policy and carry it out in our work. To do so, we must first clarify two one-sided views. One of these views is: Some comrades hold that planning should be abandoned when the various forms of the responsibility system are implemented into agricultural production. They even fear that, as agriculture has just been enlivened, placing emphasis on planning will again lead to the former mistake of adhering too rigidly to unified planning. These comrades obviously do not understand that ours is a socialist state and its socialist economy is a planned economy, that this is the objective economic law based on public ownership, and that the contradiction between socialized production and private ownership of the means of production has been resolved. Only by persisting in planned economy can we give simultaneous consideration to the state, the collective and the individual and to both immediate and long-term interests, make overall plans and push the national economy to develop along the socialist road. Being inexperienced and influenced by the "left," we failed to apply this law very well and learned many lessons. However, this should not be used as an excuse for us to lose confidence in and have doubts about the planned economy. The faults and errors of the former policies which upheld unified planning too rigidly and fettered the peasants' enthusiasm for production have been corrected following the 3d Plenary Session of the 11th CCP Central Committee. The resolution adopted by the 6th Plenary Session of the 11th CCP Central Committee clearly points out the need to place main emphasis on planned economy and give market regulation a supplementary role. One is the "mainstay" and the other is a "supplement." This is the correct conclusion we have derived after summing up historical experiences and learning lessons. Being "flexible" means "flexibility" in choosing a path whereby the main emphasis is placed on planned economy. "Flexibility" deviating from the path of planned economy will lead to unimaginable consequences. The other one-sided view is: Some comrades cannot adapt themselves to the new problems at present. They fear "disorder" and are full of misgivings. They do not understand that these problems have emerged in a favorable situation of great changes and development. If they handle these problems seriously and according to the policy of placing the main emphasis on planned economy while giving market regulation a supplementary role, they can be sure of "orderly and lively activity." They should not backtrack once they encounter a problem. We must take one thing as the "mainstay" and the other as a "supplement" and coordinate the two. In our practical work, there are, of course, many realms of necessity which we do not know. However, if we uphold the ideological line of seeking truth from facts, pay attention to the new conditions emerging in the course of our work and continue to study new problems, sum up new experiences and search for new measures, we will gradually understand the realms of necessity and enter the realms of freedom.

What should we do in order to implement well the policy of placing the main emphasis on planned economy while giving market regulation a supplementary role in agricultural production? I want to discuss the preliminary experience I acquired in the course of working 4 years in Anhui.

1. In the Planning of Crop Growing, the Output of Staple Crops Is an Indirectly Planned Target But the Sown Acreage Should Be Controlled According to Plan

After the 3d Plenary Session of the 11th CCP Central Committee, necessary readjustments were made in the acreage for growing farm crops in Anhui. As a result, the acreage sown to grain crops was reduced and that sown to cash crops expanded. From the macroeconomic point of view, the land and other resources have begun to show their superiority and yield good results, making a great contribution to the country and enabling the peasants to earn more income. These have been reasonable readjustments. However, it is now time to stabilize these readjustments, and no further changes should be made. We decided that the acreage sown to grain crops should remain at the level of 90 million mu and should not be reduced. In the future, we should make strenuous efforts to increase yields per unit area and to boost output steadily. Acreage sown to cotton should remain at the level of 5 million mu, and the geographical distribution of cottonfields should be more rational. Acreage sown to tobacco leaf should remain at the level of 1 million mu, and we should make strenuous efforts to increase yields per unit area and improve the quality of tobacco. In Anhui, the yields of staple crops per unit area falls short of the average level for the country. This shows that there is a great potential to be tapped and there is plenty of room for increasing yields per unit area. Cash crops which do not need to be planted in grain fields should be planted by making full use of barren hillslopes and wasteland. The proportion and size of areas sown to grain, cash crops and other staple crops should be decided according to the rational distribution specified by the state and be controlled according to the state plan, and the task in this respect should be fulfilled down to the county level. In signing contracts with communes and production teams, a county may specify the minimum quantities of crops to be sold to the state according to the state purchase plan or in excess of this plan, or according to the quotas fixed by the state. It may guarantee fulfillment of these contracts by assigning responsibilities to the households. It may fully arouse the enthusiasm of the production teams and the peasants by giving them the essential decisionmaking power, and should not interfere with them when they are fulfilling their tasks. Thus, it will be possible to unify and harmonize the tasks specified in the state purchase plan and the decisionmaking power needed by the production teams and the peasants. Do the peasants welcome planning? Essentially, they do. They like to work according to a plan, provided policies are steady, rational measures are carried out, reasons are explained to them and there are possibilities for increasing production. They will be reassured because a plan is a guarantee for the supply of the means of production and the marketing of farm products. The peasants in Anhui formerly suffered losses resulting from rash planting. For example, some localities planted too much peppermint and herbaceous peony so that it was difficult to sell them. At present, too much hemp has been planted and there is also a difficulty in selling it. It is necessary to make readjustments and to switch to other crops. During my recent visit to the countryside, some grassroots cadres told me that the commune members hoped that they could get timely market forecasts and information about market changes from the radio. This shows that the commune members welcome planning as a guide. Are there commune members who aim at immediate profits and excessively grow crops they can sell at high prices? Yes, there are. Under these circumstances, we should carry out ideological work among them. We should tell the commune members clearly about the whole situation and the trend of future development. In particular, we should let them know the state's needs and difficulties. In addition, we should work out economic measures and exercise administrative intervention when necessary. It will then be possible to solve problems.

2. In the Sphere of Circulation, It Is Necessary To Properly Combine Planning With Market Regulation

Let us begin with the supply of vegetables and nonstaple foodstuffs in cities. Some time ago, vegetables were in short supply and sold at high prices in the eight municipalities under the provincial authorities. We paid attention to this problem only when the masses expressed their dissatisfaction. Some comrades asked: Why is it that vegetables are sold at high prices when a bumper harvest has been reaped in agriculture? They said they did not understand the reason. From an investigation, we have discovered that the vegetable prices at present are subject to certain conditions: First, in the suburban areas, with the development of industrial and sideline production, people can earn a greater income from industrial and sideline production than from vegetable growing and therefore are more enthusiastic about industrial and sideline production than about vegetable growing. Second, with the prices of farm products raised, there has been a change in the ratio between grain and vegetable prices. Formerly, 100 jin of ordinary vegetable could be exchanged for about 40 jin of rice. At present, the same amount of vegetable can be exchanged for only 36-37 jin of rice. This dampens the peasants' enthusiasm for growing vegetables. In addition, for some time, large areas of vegetable fields were used for capital construction, and new vegetable plots have not been opened up. The provincial party committee laid down the rule that there should be 0.03 mu of vegetable land per capita in cities and 0.035 mu in Hefei municipality. However, this rule has not been put into practice. As a result, the state-run vegetable companies did not have an ample supply of vegetables and basically had to buy vegetables from trade fairs. In addition, illegal peddlers engaged in profiteering by raising the prices as they wished, resulting in a still shorter supply of vegetables. Vegetables are needed by urban residents every day, and their prices must be stabilized. How should this problem be solved? It can be solved only by persisting in placing the main emphasis on planned economy while giving market regulation a supplementary role. The deficiency of vegetable land should be made up through the principle of fixing output according to sales with output slightly greater than sales, and the major tasks for peasants in suburban areas should be clearly defined, so as to ensure supplies of vegetables and nonstaple foodstuffs for urban residents. Industrial and sideline production in suburban areas should be carried out by attaching greater importance to food than to other products. At the same time, second-line vegetable bases should be set up in the counties and townships near cities and in state farms and should be assigned vegetable supply tasks. The state-run vegetable companies (which can be operated jointly by communes) should control about 70 percent of the supply of vegetables and sell vegetables according to plan and at specified prices. The supply of a small quantity of coarse and sundry vegetables is to be readjusted through trade fairs. In this way, it will be possible to basically guarantee ample supply of vegetables and to stabilize prices. As a result of adopting this method, it was possible to basically stabilize vegetable prices during the last two festivals (the 1982 new year and the Spring Festival).

Nonstaple food supply chiefly includes meats, poultry and eggs, with emphasis on pork. Some time ago, there was a drop in the number of pigs sold to the state, and there was "difficulty in buying pigs." The main reason was that after the various forms of the responsibility system for agricultural production had been instituted, the quantity of fodder grain retained by the collective was not specified, and that importance was attached to grain, cotton and edible oil instead of to pigs, poultry and eggs when the production teams concluded contracts with the commune members. In addition, the peasants had more grain for personal needs, business was active in trade fairs and the peasants wanted to sell their products at high prices at these fairs. This impeded fulfillment of the state purchase quotas. Rural areas even purchased pork from cities. For this reason, it was necessary to persist in placing the main emphasis on planned economy while giving market regulation a supplementary role and to specify quotas for the purchase of pigs, poultry and eggs. The commune members were required to fulfill these quotas. At the same time, some plots were allocated for growing fodder, the peasants were supplied with fodder grain and fodder mix, chemical fertilizers were sold to the peasants as rewards, and coupons were given to the peasants with which they could buy a certain quantity of industrial products in great demand. These measures have recently begun to produce results and the number of pigs purchased by the state has also begun to increase again.

It is correct and necessary for the state to purchase agricultural products by dividing them into three categories by different methods. Agricultural products of the first category, such as grain, cotton and edible oil, are purchased and sold by state monopoly. The experience of many years shows that this method produces good results and needs to be upheld continuously. The plan for the minimum quantity of agricultural products to be purchased by the state can be fulfilled smoothly because the commune members have a clear understanding of the state monopoly on the purchase of agricultural products. Should there be a minimum quantity of products sold in excess of the state purchase quotas? It appears that there should be such a minimum quantity. As the state has raised by a relatively big margin the prices of products sold in excess of the state purchase quotas, the commune members wish to have a specific minimum quantity, which is laid down in the contracts for selling of products in excess of the state purchase quotas, and they undertake to fulfill such contracts. Practice shows that as long as we do our work meticulously, the commune members not only are willing but also want to sell more products in excess of the state purchase quotas. In areas where bumper harvests have been reaped, the commune members reflect that they have great "difficulties in selling grain, cotton and edible oil." We should do our work better to solve the problems concerning storage and transportation of farm products. This will meet the commune members' demand and be good for the state. In Huaiyuan County, the masses took the initiative in raising funds to build warehouses. They hope that the state will purchase greater quantities of farm products from them. Some localities are experimenting with a method in which the state purchases grain and the masses store the grain for the state. In localities where the state purchase plan and the plan for purchase of products in excess of the state purchase quota have been fulfilled, we should purchase the greatest possible quantity of farm products at prices of products sold in excess of the state purchase quota or at negotiated prices in trade fairs. With regard to grain and edible oil, we want the grain departments to act as a grain bureau and as a company for the purchase and marketing of grain and edible oil at negotiated prices and to keep two separate accounts, one for grain and the other for edible oil. Practice shows that this is a good method for stabilizing the prices of grain and edible oil at trade fairs. Over the past few years, the prices of grain and edible oil in trade fairs have remained rather stable and sometimes have even dropped below the negotiated prices. Cotton is usually purchased by supply and marketing cooperatives at prices of cotton sold in excess of the state purchase quota and not at negotiated prices. Agricultural products of the second category, such as tea leaf, tobacco leaf, silkworm cocoons, hemp, oil obtained from the seeds of paulownia, raw lacquer, rosin, pigs, poultry, eggs, feathers, rabbit hair and wool, are to be purchased according to the minimum quotas specified by the state, and these quotas should be fulfilled without fail. A rational ratio between the state purchase and the quantity retained for personal needs should be determined if it is inconvenient to fix the minimum quotas for certain varieties of these products to be sold to the state. After the minimum quotas have been fulfilled, some of these products are to be purchased by the state according to the ratio specified, some are to be purchased at prices higher than the prices of products sold in excess of the state purchase quotas, some are sold by reducing taxes to ensure reasonable profits, some are retained for processing or sold at trade fairs for personal profits, and some are processed into finished products. This is done according to the state's regulations and the concrete conditions in our province. Major projects are carried out according to planning and minor projects are carried out flexibly so as to ensure orderly and lively activities. Agricultural products of this category are of wide variety. Concrete regulations should be drawn up according to actual conditions. There should be different minimum purchase quotas for different varieties of products. There should also be different ratios between state purchase of products and retention of products for personal use, and different methods of reward for overfulfillment of minimum purchase quotas. This will fully arouse the enthusiasm of the producers. When conditions develop, some of the agricultural products of the third category will probably be relegated to the second category. Practice tells us that the scope of purchase through negotiations should not be too extensive. We are prepared to go further in studying and solving this problem.

With regard to the supply of industrial products, the means of production such as chemical fertilizers, fuels and machines which are supplied according to plan should be sold strictly at specified prices. Some localities cooperate in making industrial products, such as chemical fertilizer. With the consent of the department in charge of commodity prices under the State Council, the method of adding the transportation fees to the price may be adopted, and the marketing department may not demand extra charges. An urgent problem at present is that it is necessary to sign contracts directly with the peasants for the supply of raw materials so as to ensure that these materials can be directly supplied to the producers. With regard to the supply of industrial products used as means of livelihood, some essential products should be supplied according to the quantities specified by the state and some other industrial products which are in great demand should be supplied by the method of selling them to those who hold reward coupons. Experience in this respect needs to be further summed up in the course of practice.

3. Vigorously Grasping the Contract System Is the Key Measure for Placing Main Emphasis on Planned Economy

An economic contract is an agreement signed in the course of economic activities. On the basis of the state plan and the policies and regulations concerned and in the form of an agreement, it defines the duties shouldered and rights enjoyed by the two or more parties concerned. Such economic contracts were usually signed between industrial and commercial enterprises in the past. After various forms of the responsibility system for agricultural production were instituted, the contract system has been extensively adopted in the countryside to coordinate the relationship between various quarters, thereby manifesting the spirit of placing emphasis on planning, that is, "carrying out major projects according to planning and minor projects flexibly." This is a new thing born at a time when our country's socialist agricultural production has developed to a new stage. It has strong vitality. The broad masses of peasants in Anhui's countryside have now become more and more familiar with the contract system and are continuously improving and publicizing it in the course of practice. Practical experience shows that the following several points should be grasped in order to carry out the contract system well: First, it is necessary to pay simultaneous attention to the interests of the state, the collective and the individual and to manifest the spirit of combining responsibility, rights and profits. Responsibility, rights and profits are interrelated. It is necessary to manifest the peasants' duties and responsibilities for the state and the collective, such as fulfillment of the state purchase plan or the quotas specified by the state, and the retention of products for the collective. It is also necessary to manifest the state's duties and responsibilities for the peasants, such as supply of the means of production according to its plan, and the giving of rewards for overfulfillment of state purchase plan. Second, it is necessary to fix the minimum quantities of agricultural products of the first category to be sold in fulfillment (or in excess) of the state purchase plan and the minimum quantities of agricultural products of the second category to be sold in fulfillment of quotas specified by the state. Some of these quantities will remain unchanged for 5 years and some others for 3 years, it depends on the actual conditions and the terms written in the contracts to ensure fulfillment. Special documents should be transmitted to the grassroots level, specifying the methods of reward for overfulfillment of the quotas, and these methods should be made known to every household. Adopted by the 4th session of the 5th NPC, the "laws governing economic contracts" specify that spiritual encouragement and material awards should be given to those who have fulfilled their contract properly and that those who fail to fulfill their contract are to be educated and punished, so that the contract has a binding legal effect. Third, the effort to fulfill a contract should be taken as a part of the basic content of the system of personal responsibility of a grassroots cadre and as a criterion for testing the ability of a cadre of the economic department. In the course of carrying out the production responsibility system, many localities in Anhui simultaneously grasp the production responsibility system, the contract system and the system of a cadre's personal responsibility. This method still needs to be summed up and improved.

4. After the System of Responsibility for Financial Work at Various Levels Has Been Adopted, It Is Necessary To Specify the Minimum Quantity of Agricultural Products for Transfer to Other Localities and To Ensure Fulfillment of Tasks

The system of responsibility for financial work at various levels which is being carried out in the sphere of distribution has assigned to the organizations at various levels extra financial power and will arouse the enthusiasm of these organizations in grasping their work and earning greater income. It is a good system. However, we must strengthen our concept of the chessboard strategy for the national economy. We should not only conduct ideological education but also adopt concrete measures to ensure that various localities and levels undertake to fulfill their tasks of delivering agricultural products to the state according to the state plan. Effort should be made to arouse the enthusiasm of organizations at various levels on the basis of guaranteeing fulfillment of the state plan. The mistakes of "old factories having not enough work to do and new factories soliciting business in every possible way" must never be repeated. In particular, if the advanced factories have not enough work to do and the backward factories solicit business in every possible way, the state and the whole situation will be harmed. After fulfilling their state purchase quotas, the localities which produce raw materials should be allowed to run the processing industry. It would be the best if they process fine-quality products of famous brands in joint venture with the advanced localities. This will benefit the state as well as the advanced industrial bases and the raw material producers. We are experimenting with joint ventures with Shanghai in such a way that "the leaderships establish ties and the mass organizations join forces so that both parties are benefited and will work according to economic laws." We started our experiment with the textile industry and have set up the "Shanghai-Anhui Joint Exploration and Textile Company." This joint venture has just started and of course it will be some time before we can sum up experiences. Nevertheless, we and the comrades of Shanghai cherish a common desire, namely, through common efforts to break a new path in interregional unity.

5. It Is Necessary To Make Use of Various Economic Levers and To Exercise Necessary Administrative Intervention

When we say planning is the main aspect of the national economy, we are referring to the situation as a whole. In giving market regulation a supplementary role, a very important thing is to bring into play the role of prices as an economic lever. However, prices are not isolated. They are closely related to and cannot be separated from the role of revenue and credit as a lever. We have now adopted the following methods in making use of the role of prices as an economic lever: the specific minimum amount of products to be sold to the state according to the state purchase plan and that sold in excess of the state plan; the prices of products sold to the state according to the state plan, the prices of products sold to the state in excess of the state plan; and the negotiated or fluctuating prices. Being inexperienced, we are very carefully making use of the role of prices as an economic lever and summing up our experience in this aspect. We have just started to make use of the role of revenue and credit but, strictly speaking, we are not taking a bold approach. For example, we have adopted the method of reducing or exempting taxes for some kinds of products and have just started to raise the interest rate for long-term loans and increase the amount of money to be given away as loans.

In short, the use of the role of prices, revenue and credit as economic levers is a very complicated matter which we must handle very carefully. In my opinion, experiments may be carried out in different complexes. In one trade (from raw materials to end-products), between different trades or areas, and in agricultural-industrial-commercial complexes in cities and the countryside. We can acquire relatively comprehensive experience only from experiments of different types. At present, when the main emphasis is placed on readjustment, these experiments should be conducted within the microsphere and under such conditions which prevent them from causing a chain reaction in the macrosphere, so that the whole situation may be stabilized. Through these experiments, we can discover and resolve the contradictions arising in the course of improving the planned economy by giving market regulation a supplementary role. In this way, we can gradually open up a new path.

Administrative intervention may be exercised by adopting corresponding measures in light of the development of the situation. With regard to market management in particular, the leadership should join forces with the masses in strengthening price control, restricting and hitting at speculation and profiteering, stepping up the struggle against smuggling and intensively inspecting financial discipline and, when necessary, issue notices to ban illegal activities. We must learn to use political power to ensure that main emphasis is placed on socialist planned economy and to ensure orderly and lively activity.

6. It Is Necessary To Strengthen Ideological and Political Work and Strengthen Party Leadership

We serve the people and work in the interest of the people. However, there are the partial and the overall interests as well as the immediate and the long-term interests. Comrade Chen Yun recently said: It is imperative to improve the people's living. First, they should have food to eat and, what is more, have enough to eat. They should neither be too poorly fed nor too well fed. Second, construction work is necessary. A country will be hopeless if it consumes all its food and spends all its money. Only when its people have enough to eat can a country have strength to carry out its construction work and be hopeful. His words have fully explained the relationship between the people's partial and overall interests and their immediate and long-term interests. First of all, we should educate the cadres and at the same time strengthen ideological and political education for the peasants. We must view the situation as a whole and aim at long-term interests. We cannot modernize our socialist agriculture if we pay one-sided attention to immediate interests. To achieve this end, we must strengthen party leadership. Of course, we must improve party leadership before we can strengthen it. With the new situation developing in agricultural production, some good experience of the past is still applicable but some old methods are no longer useful and need to be improved. Some county party committees learned in 1980 that the former method of pressing people to carry out farming was inapplicable. They have proposed to conclude contracts in spring, to have the contracts fulfilled in autumn, to grasp rear service between spring and autumn, to train cadres by rotation in winter, and to carry out ideological and political work in light of various current tasks. They have acquired this experience in practice. This experience has proven to be sensible. Some people hold that as the peasants know how to do farmwork, leadership over them may be abandoned. The idea that the peasants in tilling the land can do without leadership, causing certain grassroots organizations to become lax and weak and let things slide, is mistaken. Our work methods must be improved, the party's leadership must be strengthened; we must give play to the functional role of the grassroots organizations and also give play to the role of the party branch as a fighting bastion. Only in this way can we strengthen socialist construction in the countryside and ensure fulfillment of various plans and tasks.

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MAINTAIN AND CARRY FORWARD THE TRUE COLORS OF THE WORKING CLASS

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[Article by Gu Dachun [7357 1129 2797]]

[Text] The working class is a leading force in the four modernizations drive. It is imperative for the working class to step up building and training itself to become a militant contingent which is ideologically advanced, technologically proficient, highly disciplined and united and cooperative, in order to adapt itself to the new situation and the new tasks and to play a principal role in building socialist material and spiritual civilization. A very important task in building the ranks of staff and workers at present is to conduct extensive and deep-going publicity and education among the numerous staff and workers. This will enable the 100-million staff and workers throughout the country to profoundly understand the inherent true colors of the working class and the way to carry forward the glorious traditions of the working class for the accomplishment of the historical mission of the working class.

The Chinese working class is the most progressive and revolutionary class in modern China and is the representative of the new productive forces. Over the past six decades and more, under the leadership of its vanguard, the CCP, the Chinese working class, while advancing along the course charted by Marxism-Leninism-Mao Zedong Thought, has undergone extreme hardships and difficulties over a long period of time and has been tempered in the two historical periods of democratic revolution and socialist revolution and construction. It has formed its own glorious traditions in class consciousness, ideological style and moral quality and reflected its own true class colors.

The true colors of the Chinese working class have been determined by the historical conditions of Chinese society. They find the most outstanding and concentrated expressions in the following aspects:

First, it is the most far-sighted and has the most thoroughgoing revolutionary character and steadfastness.

In old China the Chinese working class suffered from oppression by imperialism, the bourgeoisie and the feudal forces. With the exception of a pair of hands, it did not own a thing in the world. Only by completely overthrowing the reactionary rule of imperialism and the exploiting classes was it able to win national liberation and its own liberation. This class status and characteristic of the Chinese working class determined that it was the most far-sighted and had the most thoroughgoing revolutionary character and steadfastness. Its historical mission consists not only in smashing the old order but also in building a new one, in eliminating all systems of private ownership and the phenomena of exploitation of man by man and in placing the means of production under the control of all members of society. During the democratic period, it waged unremitting struggles against the three major enemies by advancing wave upon wave and pressing forward with indomitable will. A great many famous leaders of the worker's movement as well as a large number of fine sons and daughters of the working class laid down their precious lives in the struggles. The Chinese working class fought, failed, fought again, failed again, fought again, till it gained a complete victory in the democratic revolution. After the nationwide victory in revolution, the Chinese working class, as a strong pillar of the Chinese socialist cause, firmly took the socialist road, consistently opposed the various erroneous tendencies that departed from socialism and valiantly defended the socialist system. In the early 1960's, the Soviet hegemonists took advantage of the temporary difficulties suffered by the Chinese people and extorted us. Not fearing any ghosts nor believing in heresy, the Chinese working class straightened up, worked with a will and succeeded in overcoming all kinds of difficulties imposed on it, thus bringing credit to the Chinese people. The staff and workers of the Daqing oilfield were precisely the representatives of the thoroughgoing revolutionary spirit of the Chinese working class. By displaying the most tenacious spirit and overcoming numerous difficulties, they succeeded in building a big oilfield of an advanced international level and putting an end to the days when China had to rely on imported oil, thus making a major contribution to the socialist construction. There are numerous examples like this on various fronts.

Second, it is selfless and always puts the interests of the whole state and nation first.

By virtue of the historical era and its class status, the Chinese working class is fully aware that it is impossible for the working class to win final liberation by struggling for the interests of the class alone. It has closely linked its interests with those of all other exploited people and nations and has firmly held that only by liberating the whole of mankind will it be possible for the proletariat to finally liberate itself. It has always thought about China and the Chinese nation as a whole and waged valiant struggles for the prospects of the state and nation. After becoming the masters of the new China, the Chinese working class conscientiously shouldered the heavy responsibility of the leading class by always placing the national and social interests in the most important position and by striving to make the greatest contributions to the common cause of the people of the whole country. Millions upon millions of model workers, advanced producers and collectives are the people that best reflect the selfless spirit of being the masters of their own affairs. People are quite familiar with advanced collectives such as the "Mao Zedong" locomotive crew, Ma Hengchang group, Ma Wanshui engineering team and the Nos 1202 and 1205 drilling teams of Daqing as well as those famous advanced figures such as Meng Tai, Zhao Mengtao, Shi Chuanxiang, Wang Jinxi, Peng Jiamu and a great many people who are still working diligently for the socialist cause on various fronts. All of them have these common features: Their advanced ideas and deeds have exerted a profound influence on the people of the whole country and played a tremendous role in promoting the cause of socialist construction.

Third, it has the strongest sense of organization and discipline and is good at upholding and safeguarding the unity and unification of the revolutionary ranks.

The working class is linked with the great social production. The mechanical production and the division of labor in major industries naturally and closely link not only the workers of one factory but also the workers in different trades and areas, thus forming an industrial contingent with a high degree of concentration and organization. In the struggles against the enemy, there is mutual cooperation and help within the working class and efforts are made to achieve unanimity of action. This is the objective basis for which the working class has a much stronger sense of organization and discipline and a higher spirit of unity and cooperation than other classes. Since it entered the stage of the Chinese revolution, the Chinese working class has always, under the leadership of the CCP, plunged into the struggles as a unified contingent and has, therefore, cultivated a high sense of organization and discipline and a style of unity in struggle. In the 30-odd years of socialist revolution and construction in particular, the Chinese working class has always actively answered the various militant calls of the CCP Central Committee, resolutely implemented the policies and degrees of the party and the state, abided by the regulations and discipline in enterprises, obeyed all orders and played a fine exemplary role among the people of the whole country with its excellent style of strict discipline. The Chinese working class not only attaches great importance to its class unity, it also upholds, under the leadership of the party, the worker-peasant alliance and its unity with other revolutionary and patriotic forces.

From the aspects mentioned above we can attain a general understanding of the true colors of the Chinese working class. It is imperative for us to conscientiously and systematically sum them up and carry them forward.

Maintaining and carrying forward the true colors of the Chinese working class is of great practical significance to building the ranks of staff and workers. Generally speaking, the present spiritual outlook of the ranks of staff and workers throughout the country is healthy and the main aspect is fine. Since the CCP Central Committee put forth the great task of building a powerful socialist country with modern industry, modern agriculture, modern science and technology and modern national defense, the Chinese working class has been fully conscious of this major historical responsibility. In the readjustment of the national economy, in promoting stability and unity throughout the country and in building material and spiritual civilization, it has played an important role and made great contributions. At present, however, in the ranks of our staff and workers there are indeed some problems that merit our careful attention. First, since the founding of the PRC over three decades ago, the contingent of the Chinese working class has increased by about 20 times from several million to 100 million people. Over the last years in particular, great changes have taken place in the composition of the ranks of staff and workers owing to the fact that a number of old staff and workers have retired and that a large number of new workers are being employed in factories. At present, in quite a few enterprises young staff and workers under 30 years of age account for over half the total number of staff and workers. These new members have on the one hand strengthened the forces of the contingent of the Chinese working class and added new vigor and, on the other hand, inevitably brought within the working class the petty producer, urban petty bourgeois and other nonproletarian ideas and habits. Second, it is impossible to speedily eliminate the pernicious influence spread by the Lin Biao and Jiang Qing counterrevolutionary cliques during the decade of civil strife. Third, over the past few years our country has readjusted some policies and pursued an open-door foreign policy. This has enabled the decadent ideas and ways of life of the exploiting classes, particularly those of the bourgeoisie, to corrode the ranks of staff and workers more easily than they did in the past. For the above-mentioned reasons, it was inevitable that some negative phenomena should emerge in the ranks of our staff and workers. In a small number of staff and workers, the true colors of the working class have not been displayed so distinctly and they have been tinted in some respects with a motley of nonproletarian ideas. In addition to this, we have been weak and lax in our ideological and political work in the preceding period and slackened the ideological and political education of the ranks of staff and workers with the result that the negative ideas have not been rectified in time. The unhealthy tendencies manifested in some leading cadres such as bureaucratism and divorce from the masses have also encouraged the spread of these negative phenomena and adversely affected the initiative of the numerous staff and workers for socialism.

In the socialist modernization drive, it is necessary to build not only a high degree of material civilization but also a high degree of spiritual civilization. Both are closely linked and are inseparable from one another. Marx and Engels said that the ideology of the ruling class was always a dominant one in each era. Socialist modes of production and economic bases make it necessary to have a corresponding social ideology. This social ideology can only be one composed mainly of the ideology of the working class. What we refer to as socialist spiritual civilization should also be one with the ideology of the working class as the main body. As regards the new members that have joined our ranks, it is necessary for the working class to arm and transform them with its own ideology and, like a smelting furnace, help them to get rid of foreign substances. It should not let itself be tainted with small-producer, urban petty bourgeois and other nonproletarian ideas and habits.

It is necessary to maintain, carry forward and develop the true colors of the working class. With the advance of history, the working class should understand its new status and responsibilities and set new demands on itself. After the seizure of political power, the status of the working class undergoes fundamental changes and it becomes the master of the country and society. From that time on, the most fundamental task of the working class consists in being a good master of the country and society and building a new world. Therefore, the most important and fundamental condition in maintaining and carrying forward the true colors of the working class is to foster a high sense of responsibility as the master of its own affairs and take this approach in viewing everything.

As the master of the country and society, the working class should have firm conviction and full confidence in its own cause and have deep love for the party, socialism and the country. The abolition of exploitation and classes is the inexorable trend in the development of human society and no force on earth can stop it. The socialist modernization drive we are engaged in at present is a decisive step taken in this direction. We are bound to win in our cause. As regards this point, the working class should understand it most clearly. We suffered setbacks in the past and there are still a lot of difficulties in front of us but they are temporary difficulties. Since the 3d Plenary Session of the 11th CCP Central Committee, especially since the 6th plenary session that summed up historical experience and lessons, we have advanced smoothly again. If we lose sight of the law of historical development and the magnificent prospects for our country's development, limit our outlook because of temporary setbacks and difficulties, lose confidence, vacillate and become lax ideologically, we have adopted an approach not belonging to the working class.

As the master of the country and society, the working class should carry forward more fully its inherent spirit of selflessness. People not only work for themselves and their families, but also work conscientiously for the entire society. This is precisely the communist spirit. Every member of the working class should adopt this communist approach toward the state, enterprises, labor and work. We should regard the state and enterprises as our own by conscientiously sharing the burdens of the state and placing the interests of the state and the collectives above everything else. We should not regard our labor as merely a means to "earn money to support our families." We should not "view everything from the angle of money," be preoccupied with our personal gains and losses by "working according to remuneration" and thus reduce ourselves to the level of mercenary laborers. We should regard labor as a glorious cause for making more contributions to the society and for building a socialist new life. As regards some acts that have emerged in society, such as seeking private gain at public expense, engaging in malpractices for selfish ends and in speculation and profiteering, embezzling and stealing, we should resolutely resist them and wage struggles against them.

As the master of the country and society, the working class should resolve to wage protracted and arduous struggles for the vigorous development of the Chinese nation. On the basis of increased production, our livelihood will constantly improve. It is undoubtedly necessary to oppose the bureaucratic attitude of being indifferent to the weal and woe of the masses. However, in view of the fact that our country had a poor foundation to start with, we should, by adopting the approach of being masters of our country, make allowances for the temporary economic difficulties of the country and correctly handle the relationships between partial and overall interests and between immediate and long-term interests. We should learn from the spirit of the workers of Daqing of starting an arduous undertaking and be willing to bear great hardships and withstand doing hard work for the four modernizations. It is necessary to resolutely criticize and rectify the erroneous tendencies of some enterprises and units which, in order to accommodate themselves to the backward ideas of a small number of people and pander to their unjustifiable demands, damage the interests of the state and the collectives by various means.

As the master of the country and society, the working class should constantly strengthen its sense of organization and discipline. The promotion of socialist democracy and the strengthening of the sense of organization and discipline are not contradictory but complement each other. A high degree of democracy is precisely democracy for the broadest masses of laborers. It is undoubtedly very important to give play to the initiative of the working class as the master of its own affairs and ensure the exercise of this right. Naturally, we should have a high degree of both democracy and centralism. All members of the working class should make great efforts to become models of observing discipline and obeying orders. The working class as a whole should strive to become an industrial contingent that listens to the party's calls and strictly enforces orders and prohibitions. As regards bourgeois liberalization, extreme individualism and anarchy of every description, we should conscientiously see through them, resist them and make a clean break with them.

Just as it is impossible for a spontaneous worker's movement to engender scientific socialism, it is equally impossible for the glorious traditions and excellent quality of the working class to be spontaneously carried forward and handed down from generation to generation, still less to be spontaneously enriched and developed. To maintain and carry forward the true colors of the working class, it is imperative to rely on work in various aspects, particularly the key link of ideological education. At present, there is a tendency among some comrades to underestimate the importance of revolutionary theory and slacken the study of revolutionary theory. This state of affairs should be rectified. For every leader of an enterprise, maintaining and carrying forward the true colors of the working class should be taken as an important task in conducting ideological and political education among the staff and workers. Every staff member or worker should first of all attach importance to the study of revolutionary theory and pay constant attention to ideological remolding. The Chinese working class has turned itself from a class-in-itself to a class-for-itself and formed its own glorious traditions in several decades of struggles. This is the result of arming and nurturing itself with Marxism-Leninism-Mao Zedong Thought and is the result of remolding its own subjective world while changing the objective world. We should carry forward these glorious traditions and use revolutionary theory to arm ourselves, to remold ourselves and to rid some members of the working class of nonproletarian ideas.

In maintaining and carrying forward the true colors of the working class, the focal point of our work should be the younger generation of new workers. This generation of young workers has the merit of being full of vigor and vitality, good at thinking and quite capable of accepting new ideas and things. One of their defects is that they understand comparatively little about the working class and what it takes to become a qualified member of the working class. They have grown up and joined the ranks of the working class under a given historical condition. For a considerably long period of time we have not conducted among them a systematic education in the historical mission, glorious traditions and inherent quality of the Chinese working class. It is necessary to make up for this missed lesson. In the future, it is first of all necessary for the new workers to study this lesson well when they join the factory. All advanced elements in the ranks of staff and workers, including CCP members, CYL members, model workers and trade union activists should take the lead in maintaining and carrying forward the true colors of the working class and affect and bring along the broad masses, particularly young workers, with their model deeds.

Tested and tempered rigorously over a long period of time, the Chinese working class is a contingent with a very good political quality. The veteran workers, model workers and advanced producers are still a mainstay in this contingent. The new generation is also growing up sturdily. A number of advanced collectives characterized by the special features of the new era are emerging. We are sure that this trend will develop fairly quickly. Under the leadership of the CCP committees at various levels and with the concerted efforts of the numerous staff and workers throughout the country, the Chinese working class will certainly be able to make new contributions in the great struggles of developing the Chinese nation and add new splendor to its glorious traditions and revolutionary true colors.

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SOME VIEWS CONCERNING CURRENT FILMMAKING

Beijing RED FLAG in Chinese No 4, 16 Feb 82 pp 19-21, 40

[Revised article by Xia Yan [1115 5888] based on a speech delivered at the enlarged meeting of the Standing Committee of the Chinese Film Artists Association held in December 1981]

[Text] Since the 3d Plenary Session of the 11th CCP Central Committee, we all have a basically unanimous understanding of the situation on the film front. Our comrades say that 1979 was a year of crucial importance in China's film world. In other words, the year of the 30th anniversary of the founding of the PRC was a year when China's films began to revive on the ruins created by the "gang of four." Greater progress was made in 1980 than in 1979, and 1981 witnessed greater achievements on the basis of those in 1980. Generally speaking, the situation on the film front is taking a turn for the better. However, I am still not so optimistic. In the government work report delivered at the 4th session of the 5th NPC, Premier Zhao Ziyang pointed out that the situation of the national economy as a whole was fine but that there were still latent dangers. This is also the case with the movie industry. The general situation of the movie industry is fine but there are still latent or exposed dangers which are well worth our concern.

At the meetings of the film studio directors and on filmmaking held in 1981, I said that, compared with those in 1979, the films in 1980 made greater progress but that their quality was variable and that this was still a problem which merited attention. Among the feature films produced during the past years, those which are good or relatively good constitute a minority and most of them are "medium-grade goods" and some even "defective products" which are not up to standard. The best productions were given the Golden Rooster and the Hundred Flower awards in 1980. However, the films which are really welcomed by the broad masses of people are limited in number. Among the audiences there are divergent views on the award-winning films, such as "Legend of Mount Tianyun," "Evening Rain at Baoshan" and "Love at Lushan." Over the past years, we have participated in various international film festivals or in Chinese film weeks sponsored abroad. Very few new feature films have been presented in the competitions, and a considerable number of the feature films which were presented there were shot during the 17 years after the founding of the PRC, and there were even a few which were made before liberation. In a Chinese film week held recently in the United

States, the films presented were still such old films as "Sisters on the Stage," "Song of Youth" and "Liu Sanjie." In 1980, 82 films were produced. This figure cannot be regarded as too small. (Of course, in terms of the production capacity of our film studios, there is still an enormous potential to tap.) However, the problem of quality has become pronounced and deserves attention in the production of films at present. I have pointed out time and again that it is not difficult to start things in the world from scratch, be it material production or spiritual production. It is relatively easy to increase the quantity of films, but it is not easy to maintain fine and consistent quality. Before liberation, we were not in a position to produce any cars but now we are able to produce them. However, turning out credible "brand-name" products is not something that can be accomplished overnight. The greatest problem in our film undertakings is that the quality is variable and that there are no film studios that can ensure the "credibility" of their productions.

After the downfall of the "gang of four," quite a few film studios were set up in various localities throughout the country. Now 11 feature film studios have been formally approved and registered by the state. It is said that some departments and commissions under the State Council have also established their own film studios and furthermore even shot some feature films which were by no means connected with their profession. There is still a strange phenomenon: small film studios which were set up after 1978 have the equipment and apparatuses of the 1970's, while some of our old studios have equipment and apparatuses of the 1940's and 1950's. One may safely say that some equipment of the Shanghai Animated Film Studio is obsolete. Despite all this, they used this equipment to shoot such fine cartoon and puppet films as "Monkey King Turns the Heavens Upside Down" and "Nazha Wrecks the Seas." Besides, a lot of equipment and apparatuses which have recently been introduced from abroad by the film studios of the various provinces and municipalities have not been fully utilized, and some provinces and municipalities would rather keep them in stock than hire them out to the old film studios. Concerning this practice of selfish departmentalism, not only should the Ministry of Culture and the Chinese Film Artists Association speak out and make appeals, but those cadres who know how things stand should also uphold justice. At the Spring Festival get-together this year, I made a report on this situation to the leading comrades of the CCP Central Committee.

As for being production units, our film studios in general have overstaffing and a disproportionate number of nonproductive personnel. This state of affairs has been a drag on film undertakings. Of course, conditions differ greatly from studio to studio. For example, in shooting "Midnight," the Shanghai Film Studio took only 4 months and cost 500,000 yuan or more. In contrast there was a film where the actors were not so numerous and the scenes were not so vast; yet it was still not completed after 1 year and cost 1 million yuan. The cost of the film "House Filled With Happiness," which had the highest number of copies released, was only 300,000 yuan or more; that of "Nanchang Uprising," no more than 500,000 yuan; and that of "Seagull," which was widely acclaimed by audiences, 300,000 yuan. (Of course, as this last film was made by a cinema college, its case is somewhat exceptional.) The overstaffing and waste in our film undertakings can possibly be regarded as the worst in the world. Here I would like to mention in passing one piece of information for making a comparison. The Romanian State Film Studio has 1,500 staff and workers and annually produces 35 feature films, while our 4 old film studios, each having 1,000 to 2,000 staff and workers, annually produce no more than 50 feature films. This state of affairs must change.

Of the films produced in 1981, I have seen only 25 or 26. I feel that, compared with 1980, they have improved in quality to a certain extent, and the number of good or relatively good films has increased. Among the films on revolutionary and historical subjects that I have seen, "Nanchang Uprising" is perhaps the best. "Seagull" is also a very good production. It was shot a year before the Chinese women's volleyball team won the world championship. The director of the film showed considerable farsightedness. In addition, "House Filled With Happiness," "The Wound Has Healed," "Midnight," "Countryside Love," "Neighborhood," "The Wind and Clouds of Chutian," "The Toll of a Bell" and "Xumao and His Daughters" are relatively good. In particular, "Nanchang Uprising," "House Filled With Happiness," "Seagull" and "Neighborhood," which were shot singly by some new directors, have all, as I see it, surpassed the level of the 1960's. Of course, we must not forget that the scientific and educational, animated, and newsreel and documentary film studios have also put out quite a few fine productions.

However, we must realize that among the films produced in 1981, those which are good or relatively good do not yet account for a majority, and quite a few films are "medium-grade" and a small number of them are defective and wasted productions. This is the latent danger I am referring to.

In the 1981 productions, there was a negative tendency which I call a flood of romantic subjects. I do not mean to oppose depiction of love in films. Before the "Great Cultural Revolution," I fought for lifting the ban on the public showing and sending abroad of "The Young People in Our Countryside." However, the present situation is that some "condiments" of love have been arbitrarily included in any subject. This not only gives a strained interpretation and has nothing to do with content, but has even distorted the history of revolutions and tarnished the image of fighters. For instance, in "Pawns in the Revolutionary Armies," produced in coordination to commemorate the 1911 revolution, in portraying the revolutionary pioneer Zou Rong, the insertion of some plots of love affairs is forced. In the so-called adventure and detective films, such as "A Love Song in a Secluded Valley," for the sake of depicting love affairs, the image of the fighter is distorted and vilified. What is more, in order to obtain high box-office value, some films are filled with vulgarities and bad taste in depicting love. We must not remain indifferent to this tendentious problem. After suffering from the sabotage by the "gang of four" during the 10 years of chaos, the general mood of our society at present is not good. Film as an art of a mass character ought to propagate and advocate the socialist spiritual civilization and promote the favorable turn of the general mood of the society. Not long ago, when the CPPCC session was held, after seeing the film "Where Does the Guest Come From?" one veteran comrade said indignantly to me: "What kind of role do your films play: a role of transforming social traditions or that of corrupting public morals?" This remark carried a lot of weight and sounded the alarm to us. The reasons for the emergence of this tendency in filmmaking are many and complicated. But the main one is, in my opinion, that the leadership of the film studios has failed to make strict checks. At the same time, one-sided emphasis has been put on box-office value in pandering to the unhealthy practices existing in the society. Our present tasks are to strengthen political and ideological work, strengthen and improve the party leadership and strictly "make checks" before the commissioning of a film. At the same time, we must conduct serious, reasonable and well-intentioned criticisms against this unhealthy tendency in creation through the mass media. It is my hope that FILM ART, the theoretical publication of the Chinese Film Artists Association, will further integrate theory with practice and profoundly conduct theoretical research and carry out film review work in a practical and realistic way.

In filmmaking in 1981, there were still disproportions in subject matter. There were gaps in the presentation of many subjects, and even if there were some productions on different subjects, they were not of high quality. In 1978 I proposed that more films on agricultural subjects be made. By 1981, the productions on agricultural subjects had increased to a certain extent. As a result, there emerged such good films as "House Filled With Happiness" and "Laughter Over Moon Bay." But these productions on agricultural subjects have not significantly touched on the relaxed agricultural policies and reforms and the results of the implementation of such policies and reforms. The problem at present is that there is a shortage of film on industrial subjects. We cannot justify attempting to accomplish the four modernizations without producing any films on industrial subjects. Among the productions in 1981, "The Toll of a Bell" is relatively good, and "Men of Our Times" is passably good even though it is also "unable to rise above the convention" of excessive number of plots with love themes. In addition, very few people have written on scientific subjects. "Bi Sheng," a film on the life of an ancient scientist, was shot last year. However, there has been a lack of films on modern science. Despite being backward in both science and technology, our country has in recent years vigorously conducted scientific research and made significant progress. For instance, we developed a fine variety of new hybrid strains of long-grained rice and sent this technology to the United States in 1980. The successful development of "Lumian No 1" has brought about a rapid increase in China's cotton output and has reduced the annual importation of cotton which is paid in U.S. dollars. The leading comrade of the CCP Central Committee has said that our four modernizations program depends on both correct policies and the use of science. At present it seems that our scenario writers have not decided to reflect the new outlook on the scientific front. Apart from the excessive lack of productions on industrial and scientific subjects, there is still a gap in productions about youth. The youths constitute a great proportion of the total population of the country and are the main moviegoers. According to what I have read, a considerable portion of the crimes are committed by youths awaiting employment who are from good families. Because they lost the opportunity to study during the decade-long turmoil and lack knowledge and have not yet freed themselves from the bad influence of the "gang of four" and lack confidence in socialism, it is an important task for us to educate and foster the development of the younger generation. Efforts to this end should be exerted in making scientific, educational and newsreel films. Feature films, being dutybound all the more, must shoulder this task.

At present, the industrial front, agricultural front, and trades and professions all over the country are enthusiastically preparing for the production work of the new year. We expect our film studios to give good consideration to their annual and quarterly plans, try their utmost to increase the quality of films, shorten the production cycle, reduce costs and broaden the scope of subjects as much as possible. In film creation, more attention must also be paid to economic results, and more consideration must be given to serving the people and socialist construction rather than to serving box-office value.

Here I would like to especially mention the question of leadership in film undertakings. Apart from the leadership of the film bureau under the Ministry of Culture and the various film studios, we are also referring to those in charge of the Chinese Film Artists Association. It is essential for us to strengthen our studies, raise the political and ideological level as well as the professional level, and shoulder the responsibilities entrusted to us by the CCP and the people in a conscientious, practical and bold way. The fundamental reason for the emergence of variable quality, defectiveness and wastefulness in the movie industry lies in the failure to make checks before the commissioning of films or the failure to have the courage to make serious checks. The reasons for this state of affairs are many: First, people have failed to distinguish problems owing to the limitation imposed by the level of their understanding. Second, they are afraid of upholding principles even if they see the problems. Third, they do not have an understanding of the real situation and only trim their sails to the wind in doing things. As I see it, all this can be summed up in two words: The first word is the word "fear," that is, they are afraid of making mistakes, of offending others and of making a mess of "relationships." Besides, they are reluctant to make any comments even if they discern the problems because the author might be famous and the director might be well-known. In terms of the choice of subjects, for the sake of "playing safe," they shoot films on ancient themes. The other word is "selfishness." With selfish motives and the idea being the "one who tries not to offend anybody," they try not to interfere or they give more consideration to box-office value and profit sharing. They are unwilling to shoot films with good content but without any romantic and thrilling plots, being afraid that the films will not be attractions. Film studios rejected the script adapted from "Ni Huanzi," the representative work of Comrade Ye Shengtao. It is hoped that our comrades will have enough courage, fear nothing and get rid of selfishness. Before a film is commissioned, full consideration must be given to the thousands upon thousands of viewers and the social effect of the finished production. It is necessary to pay attention to principles rather than friendship. I hold that our film studios should shoot films that are beneficial to the masses of people and socialism even though they do not attract a large audience.

It must be noted that individualism and the desire for personal fame and gain are now quite serious problems in the literary and art circles including the film world. Not only do some young people openly scramble for fame and profit, but the veteran comrades who did very well in the past are now also tainted with this defect. It is distressing to mention matters of this kind. In terms of scripts, the practice of "pairing off goods," a phenomenon originally existing in the commodity market, has emerged. A certain writer had a good script and the film studio wanted it. Then the writer attached the condition that one of his comparatively poor scripts should be included in the contract. A certain film studio made an appointment with a writer for a script. Later the script turned out to be useless. The studio decided not to make it into a film but paid the writer his usual contribution fee. However, the writer insisted that he should be given the so-called "remuneration for service rendered." Some people who only read a script, make some suggestions or insert some remarks for others, demand that their names be listed with the author's and ask for a share of the contribution fee from the original author. Recently, "winds of plagiarism" and "winds of assuming the identity of another person" have emerged in the literary and art circles and the film world. Could such things have been done openly before the "Great Cultural Revolution"? Owing to the damage done by the "gang of four" to social ethics and prevailing customs, those individualistic ideas which could not be brought to light in the past now seem to have become "publicly lawful." We must not allow this unhealthy tendency to spread and develop. The literary and art workers must, first of all, set demands on themselves to ensure at least a modicum of spiritual civilization.

Finally, I would like to use a term used in sports circles, that is, we must not be content with our achievements: we must "start from the very beginning" and start with ourselves. Every one of us, and first and foremost those comrades who have leadership responsibility, must set a good example for others.

What I have stated above are my impressions of the present situation, which might be a bit extreme. But for the sake of China's film undertakings--for the sake of Chinese films, which have an audience of nearly 50 million--I believe that the film workers will excuse me for making some unpleasant remarks.

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A CORNER OF THE CHINESE COUNTRYSIDE

Beijing RED FLAG in Chinese No 4, 16 Feb 82 pp 22-28

[Report by Mu Qing [4476 7230], Guo Chaoren [6753 6389 0086] and Lu Fuwei [7120 2133 3634]]

[Text] When we once again drove to the countryside of the western Sichuan plain on a visit, despite the bleak and chilly midwinter of the south, everywhere we felt a sense of a spring full of vitality with spring breezes caressing our faces.

In Guanghan, Xindu and Qionglai--three trial-point counties where the Sichuan Provincial CCP Committee is carrying out the reform of the agricultural system--this sense of spring seemed especially strong. This was not because the winter crops in the vast fields were revealing the splendor of life. No, what we felt was far richer and more far-reaching than the beauty of the spring of nature....

To be sure, in today's countryside, there are no longer the grand occasions on which, in years gone by, there were huge crowds of people with a deafening sound of gongs and drums, but in the open spaces in front of and behind people's houses, there have silently grown new thick and luxuriantly green bamboos; beside the once thatched cottages, batches of new buildings with red bricks and green tiles have sprung up; trucks in an endless stream are carrying a steady flow of commodities out of the newly run enterprises of the communes and the production brigades; the newly bought crockery and cupboards of each and every family of peasants who have for many years worried about food problems are now full of grain. Over the ends of the villages, the corners of the fields and the rural trade fairs, the clouds and mist of anxiety which shrouded people's faces all the year round have disappeared and have been replaced by cheerful smiling expressions full of enormous pride in their success.... Now it can be perceived everywhere that people are soberly pondering, honestly working, exploring, and creating solidly and farsightedly. Everywhere the spring of hard work, progress, self-confidence and hope is in the air.

The era which Comrade Mao Zedong envisaged and worked for with intense emotion more than 20 years ago, an era in which as the masters of the country, full of vigor, daring and energy, the working people would write down the newest and most beautiful words and draw the newest and most beautiful pictures, has eventually tiptoed in quietly like unfettered sights and sounds of spring piercing the constricting layers of ice created by the "leftist" mistakes, since the 3d Plenary Session of the 11th CCP Central Committee. Although the three counties we visited constitute only a small corner of the Chinese countryside, they truthfully reflect the new look of the Chinese countryside that has emerged since the 3d Plenary Session of the 11th CCP Central Committee, just as a drop of water reflects the radiance of the sun....

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Guanghan and Xindu, which are located in the hinterland of the western Sichuan plain, and Qionglai, which is located at the edge of the plain, all, in terms of natural conditions, belong to the "land of abundance" where floods and drought have been tamed by man's wishes and will and where there have been no crop failures all the year round since ancient times. But during the eternal night of old China, natural disasters and manmade disasters went hand in hand here and poverty and hunger existed side by side. The so-called "peaceful and happy" and "well-provided-for" "reign of peace, order and prosperity" has invariably been a magnificent image in the minds of the working people. Only after the storm of the great revolution of the people under the leadership of the CCP swept across every corner of the land could the working people free themselves from the fetters of the feudal system and enter for the first time a brand-new era in which the working people are the masters of their own fate. During the 8 years between 1949 and 1957, the total agricultural output value of these 3 counties increased by 50 to 100 percent and the economic income of the peasant masses registered a corresponding increase of 150 to 200 percent. Many peasants who formerly did not possess a speck of land moved into new houses when they got married and started their career; some totally illiterate people sent their children to school for the first time; large batches of advanced peasants became members of the CCP and quite a few fine elements of the peasantry assumed leading posts both in the CCP and the people's government. With regard to the myriad peasant masses, the rising socialist system has from its very start displayed, for all to see, its great, tangible superiority.

However, as a river which flows vigorously must detour round soaring mountains and forge ahead in twists and turns, the road of historical development has by no means always been smooth and perfectly straight. At a time when the Chinese peasants in their hundreds of millions engaged in a great pioneering undertaking to transform China with full confidence, the deviations in our understanding of the objective world and the errors made in our guiding ideology caused the surging development of the Chinese countryside to suffer a serious setback. In 1958 there emerged the "Great Leap Forward" throughout the nation. This movement, which was originally aimed to propel the rapid development of the productive forces, was accompanied by such "leftist" mistakes as "high quotas," "harmful directives," "a wind of boasting and exaggeration" and a "communist wind," with the result that things went contrary to our wishes.

In order to thoroughly get rid of the situation in which people were perplexed and harassed by floods and drought generation after generation in history, in the "Great Leap Forward," full of daring, the broad masses of peasants carried out large-scale construction of water conservancy works with a spirit that could conquer mountains and rivers. People used extremely primitive, simple and crude implements of production to cut across extremely high mountain peaks which had been in a deep sleep since time immemorial, to intercept the 1,000-li destructive river which roared all the year round. What a noble and heroic spirit of daring to be the masters of nature they displayed! How great was the enthusiasm and creativeness they displayed! But the leadership which was divorced from reality, and the lack of experience in our work, brought this battle against nature to an extremely confused conclusion. On the one hand, people dared to think and dared to act and achieved a lot of marvelous results; on the other hand, they indulged in the wildest fantasies, thus causing incalculable losses and waste in manpower, materials and finance.... People on the western Sichuan plain will never forget this grievous experience. Many county and commune leading comrades are resolved to cherish these lessons as their "precious heritage" and are determined never to follow the same old disastrous road. On the bank of the Caijia River in the Nanbao mountainous area of Qionglai County, there stands erect to this day a small blast furnace which was constructed in the years of the "Great Leap Forward." The mouth of this furnace, which spat out dense smoke in those days, is covered with green grass. A certain unit wanted to dismantle it and use the refractory bricks for other purposes, but a cadre who took part in the construction of the small furnace and later became secretary of the commune CCP committee firmly disagreed. He said: Let us keep it as a souvenir. This is a key protected historical relic of our mountainous areas. Let all coming generations remember that we must never again commit such follies which tire the people and drain the treasury....

The wounds left by the "Great Leap Forward" were gradually healed and agricultural work again developed normally in accordance with the guidance of the CCP. Unfortunately, the "unprecedented" 10 years' catastrophe then started. This time, the leftist mistakes and the damage done by the Lin Biao and Jiang Qing counterrevolutionary cliques caused our country and people to suffer the most serious setbacks and losses since the founding of the PRC. For the peasant masses on the western Sichuan plain, it was nothing but a stifling nightmare. The argument "to be poor is glorious and to be rich inevitably leads to revisionism" became an "absolute truth," and "mass struggle" became "revolutionary laws and regulations." Multifarious "methods" to rectify the "spontaneous forces" prevailed across the countryside like hailstones covering the sky.... Despite all this, to develop agricultural production and support the state's construction, our peasant masses still took great pains to carry on their work under hard and difficult circumstances with a firm and persistent spirit of holding back their grievances for the sake of shouldering more important tasks. They proved to be highly conscious sons and daughters of the Chinese people who have received the education of the CCP for many years! What an epic struggle people carried out against the leftist mistakes and the sabotage carried out by Lin Biao, Jiang Qing and their ilk in Guanghan, Xindu and Qionglai in order to build a new socialist countryside! While the fruit trees they cultivated for years were cut down as "capitalist tails," some old poor peasants quietly cultivated new saplings in covered corners, holding back their grief and indignation. Quite a few grannies toiled day and night to collect hen eggs basket by basket. Time and again they were branded as "upstarts" and "models of speculators and profiteers," but they still continued to breed more hens without uttering a sound. Many hardworking, honest and tolerant team leaders were branded repeatedly as "capitalist roaders" who sabotaged the practice of "taking grain as the key link" by organizing the masses to develop sideline production and boost economic income, but once they regained their freedom, they continued without the slighest vacillation in their determination to follow the road of "all-round development," a road pointed out by the CCP.... People can see what a firm and unshakable trust and loyalty to the CCP these peasant masses and party members have! What a noble and pure sense of responsibility for the country and the nation they have! This is the essential reason why the foundation of our agricultural collective economy did not collapse and our agricultural production could still keep going with enormous efforts during the long-drawn-out 10 years of internal disorder. This is also the essential reason why our agricultural situation has been able to advance by leaps and bounds and why our agricultural production has been able to take the lead since the 3d Plenary Session of the 11th CCP Central Committee.

Of course, during our visit to these three experimental counties on the western Sichuan plain, we did not find that people wallowed in the past sufferings and they were not willing to expose any longer their past wounds. However, like a traveller who makes a long and arduous journey, if he does not review the footprints he left behind on the old wrong road, it will be difficult for him to be sure of correctly taking a new road. Huang Yiyuan, secretary of the Xindu County CCP Committee, a middle-aged cadre who has engaged in agricultural work for more than 20 years, said in an interview: If we fail to sum up the harm and lessons of our past mistakes in a serious and responsible way, we will be unable to carry out today's correct line boldly and forcefully. Huang Yiyuan held that the most important one of the numerous mistakes was that we failed to recognize that the peasant masses were the real masters of the countryside. The masses were banned from doing what they were willing to do and were forced to do what they were unwilling to do. Who are the real heroes? Who is the motive force who propels history? This fundamental principle of historical materialism had been turned upside down.

True, the suppression and encroachment on the position and rights of the peasant masses being the masters of the countryside is the key reason for the slow development and even stagnation of agricultural production for a long time in the past. During the 20 years between 1957 and 1976, in Guanghan County, the average grain ration received by every peasant from collective distribution increased by only 27 jin, with the annual increase in grain production averaging 1.3-odd jin. The income every peasant received from collective distribution increased by only 23 yuan, with the annual increase averaging 1.1-odd yuan. Life was even harder for the peasants of Qionglai County. Quite a number of the communes and their subdivisions had to depend almost every year on "grain resold to them by the state" and "relief grain" to eke out their existence. It was unexpected that this rich and populous county with green hills and clear water, which is located on the ancient commercial road, and had found favor in the eyes of a host of poets and artists for the much-told historical romantic story of Sima Xiangru and Zhuo Wenjun, should become a place where "the cattail grows so vastly and thickly that even the devils are afraid of it." Located on the outskirts of Chengdu, Xindu County was originally a "land of milk and honey" on the western Sichuan plain. By 1976, of the 2,400 production teams throughout the county, 1,786 production teams were "teams of paupers" in which the masses generally had difficulties in their lives.

II

Seen from the agricultural work of the three counties of Guanghan, Xindu and Qionglai, although the downfall of the "gang of four" concluded the disastrous years politically, the "leftist" fetters and handcuffs still shackled the vast countryside in terms of the economy, and particularly in terms of the economic management system. The roots which gave rise to the "arbitrary issuance of orders," the "communist style" and the practice of "eating out of one big pot" were not eliminated. "Leftist" ideas and methods still wandered and haunted every corner of the countryside like a spirit that refused to leave....

The date of 18 December 1978 will be recorded in history in indelible writing, the date when the 3d Plenary Session of the 11th CCP Central Committee was held. The complete set of Marxist line, principles and policies adopted by the session have given, like rolling spring thunder shaking the vast sky, new life to a countryside which was in a state of hibernation.

After the peasant masses threw off the "leftist" shackles binding their hands and feet, their spirit of historical initiative burst out like a long-dormant volcano. It is precisely this historical initiative that has successfully solved the difficult problems which had not been solved for many years in the countryside. It is also precisely this historical initiative that has profoundly changed the traditional concepts of peasants "sticking to old ways" and being "selfish and ignorant," which have long existed in people's minds.

The various forms of the agricultural production responsibility system which have today spread all over the country are the outstanding creation of the peasant masses. The experimentation and popularization of the production responsibility system in Sichuan was first carried out in Guanghan County. In the past, Chang Guangnan, secretary of this county's CCP committee worked assiduously in the movement to "learn from Dazhai" and made certain achievements, thus enabling Guanghan County to become an "advanced county" in the province, a county advanced in "learning from Dazhai." But the agricultural production and the livelihood of the peasants of the whole county did not basically improve. This put Chang Guangnan in a painful dilemma. He thought: Even a pig which bumps into a south-facing wall knows how to turn its head, let alone a man! But as to how to turn back, he did not have a clear idea. Once he came by chance to a "backwater" of the border region and found that the crops of a certain production team generally grew better than those of other production teams and the daily distributed work value of the team was much higher than that of other teams. After being repeatedly mobilized and sincerely asked for advice, the old team leader, who was more than 60 years old, hesitated a little and then revealed his "secret weapon": It is very simple! Once the quotas for farmland plots are determined, assign the fixed quotas to some operational units under a contract and practice the method of reward for overfulfilling the production tasks and penalties for failing to meet the quotas. Chang Guangnan proposed that this method be carried out in a commune first as an experiment but his proposal met with strong opposition. Later a "lawsuit" was brought to the provincial CCP committee and the key responsible comrade of the provincial CCP committee personally gave the final verdict: The masses must be allowed to carry out the method if they are willing to; those who are full of worries may carry it out on a smaller scale and those who have no worries may carry it out on a larger scale. As a result, this "undercurrent" which already existed among the peasant masses was drawn up and flowed from Guanghan to the western Sichuan plain and then to the whole of Sichuan Province. In the course of its advance, through additions and creations of the masses in various places, this method developed into various forms, such as specialized contracting, assigning production targets to each laborer, fixing output quotas for individual households and full assignment of responsibility. This was indeed a powerful irresistible current! Wherever it flowed, here it submerged the "revolutionary workpoints" and the "work of sitting idle" and there it burst the "individual grain ration" and the practice of "eating out of one big pot." The output and value of the "irritating fields" and "painful plots" which had been regarded for long years as not being able to feed their population suddenly increased in geometric progression....

In the three counties on the western Sichuan plain where experimental work on reforms was carried out, the most impressive thing was the changes in the peasant masses themselves. Those who had a worried look in the past are now wreathed in smiles; those who walked with their heads low in the past now walk with longer steps and with their heads held high; those who when attending a meeting hid themselves in the corner of the meeting halls like young daughters-in-law in the past have now mounted the platform to pass on their own experience in becoming the "most outstanding" men; those whose "grain ration was reduced" and who were "fined" and "paraded through the streets" and "exposed before the public" have now become indispensable great able persons in rural socialist construction. In the No 10 production brigade of Sangyuan commune in Qionglai County, there is a young peasant who had not displayed any astonishing abilities for a long period of time in the past. But after an integrated enterprise combining agriculture, industry and commerce was established, he led a batch of young people to live in a camp on the wild Heihu River bank, building from nothing, using the yellow sand and broken stones of the beach to produce prefabricated building components. Their production value last year was more than 200,000 yuan. Thus he has become the director of a famous local building materials factory. There is another young peasant who many times was a major target of "criticism" and had to sell his house to go out to lodge a complaint and appeal for a redress of his wrongs. This finally resulted in his utter destitution. But he has now become the deputy manager of the Heihu Riverbank Integrated Enterprise of Qionglai County, the production value of which is more than 2 million yuan, and concurrently the manager of a supply-and-marketing company and an able leader in developing agricultural production and boosting the rural economy. Some ordinary peasants of Shibantan commune in Xindu County successfully achieved rotational agricultural production of cross-planting by fully utilizing the specific growth properties of various crops, thus creating the "most outstanding plots" in terms of high output and high value which are well-known throughout the province.... Tens of thousands of various talented people, such as "paddy specialists," "experts in fruit trees," "models in eliminating insect pests," "silkworm and mulberry enthusiasts," "managers of fish," "commanders of rabbits" and "living Lu Ban's" have sprung up like bamboo shoots after a spring rain.

After the peasant masses became the masters of the countryside politically and economically, they could no longer tolerate the backward and ignorant situation in which their forefathers had for ages been cut off from science and technology. This led to a new high tide of acquiring literacy which is sweeping across the vast countryside. Many years ago, the departments concerned of the CCP and the government launched activities to spread cultural and scientific knowledge. Despite mobilization work at each level and sometimes even a resort to compulsory study, there was only a limited number of people who were really interested. In the past years, Xindu County printed 2,000 pamphlets on agricultural science and technology and gave them to people free but very few people took interest in them. Thus the materials just piled up on the office tables. Recently 30,000 study books of the same kind were printed and they were completely sold out to the peasant masses in a very short time. At present, people can see colorful "posters," "requesting" particular agricultural technological knowledge. They are posted everywhere on the walls of quite a few rural market towns. Wherever the agricultural technical personnel who were sent by the counties went, they were invited by the peasants to their homes and treated as "distinguished guests." Some communes ran short-term training classes on agricultural science and technology which were originally aimed at training production team cadres, but these classes were more often than not attended by crowds of peasants as visitors. Sometimes the crowd was so big that it could not fit into the room. They had to kneel down outside the windows to "secretly study" science and technology.... Truly, the time of the peasant masses wanting to be the masters of culture and science has come.

III

The present recovery of the Chinese countryside from a state of prolonged disorder is not and should not be a simple restoration of the situation of the early 1950's. What needs to be corrected is not only the erroneous policies and measures but, more importantly, the management system which for a long time has not been completely rational.

Not long after the 3d Plenary Session of the 11th CCP Central Committee was held, this corner of the Chinese countryside began to experiment with a reform of the rural system. The Sichuan Provincial CCP Committee formulated that the guiding ideology of this reform should be that the peasant masses are fully encouraged to be the main force of the reform and that the road for the reform should be explored in the light of their local specific conditions. The provincial CCP committee repeatedly and clearly stressed that the CCP committees at a higher level were not encouraged to impose any unified patterns or unified road on these three counties. Likewise, the county CCP committees of these three counties were also not encouraged to impose any unified measures or unified ways on the communes and their subdivisions. Because of this, in the experimental reform work, the main work of the CCP committees at various levels was chiefly to transmit the line, principles and policies of the CCP Central Committee to the peasant masses. Thus, the masses could have full discussions and deliberations and carry out some experimental work voluntarily in an active and steady way. The CCP committees then had to help the masses to constantly sum up their experiences and help them to keep on perfecting and improving. After a certain period of practice, the reforms in the three counties had individual emphases and individual methods with their own characteristics. Guanghan County first separated government administration and commune management, established the three fronts comprising the party committee, the government and the economic leading groups, and then proceeded to the structural reform of the economy. Xindu County started with socialization and division of labor according to specialization, and carried out a series of activities of specialized cooperation breaking down the barriers between different administrative organizational systems and different divisions. It then advanced to the divorce of government administration from commune management. Qionglai County started by paying attention to the economic integrated complexes combining agriculture, industry and commerce, organized various forms and various scales of economic complex with different systems of ownership and eventually broke down the barrier formed by the integration of government administration with commune management. These three methods have, in terms of effect, fairly successfully overcome some defects existing in the rural management system and reached the same goal by different routes.

The only criterion to test truth is practice. The criterion for testing the success or failure of this social reform is the social productive forces.

Over the past 20 years, the annual average increase in the total industrial and agricultural output value of Guanghan County was 6.84 million yuan. But over the last 3 years the annual average increase was more than 34 million yuan and the growth rate was thus 5 times greater than that in the past. The annual top limit of bank savings deposits of the peasant masses in the past was 1.7 million-odd yuan, but it has now jumped to more than 10.3 million yuan, an increase of more than 5 times.

During the 30 years from liberation to 1978, the average per capita economic income of the peasant masses in Qionglai County registered a total increase of only 32 yuan. But over the last 3 years, this has increased by 78 yuan. The increase achieved in 3 years has surpassed that achieved in 30 years.

In Xindu County, 757 poor production teams noted as lacking both money and grain 3 years ago have disappeared from the statistical table. Large batches of the "most outstanding" teams rich both in money and grain have come to the fore, each trying to overtake the other in friendly competition. The average per capita production value of some of the "most outstanding teams" has exceeded 2,500 yuan, thus substantially surpassing the level of an "affluent family," a level which the Chinese people are assumed to reach by the end of this century....

Arithmetic symbols are not as charming as beautiful verses, but what we have cited here are by no means common statistical figures. They are the records of an era and a profile of the society. From the background to these figures, we can see that substantial and profound changes have taken place in the vast countryside. People can sense the powerful blast of the socialist trend which is surging ahead....

One might well ask why such a profound social change has been so smooth. Indeed, this is a matter which gives us much food for thought. Over the last 3 years, the CCP committees and governments of these three counties have neither made loud cries as in the past nor sent any huge work teams to the countryside to lead the reform. But an invisible reform vitality has been gradually permeating every corner of the countryside, as was described by an ancient poem: "Following the wind, vigor sneaks in by night. Silently it brings life to all things on earth." Furthermore, wherever it permeates unprecedented changes will take place. Where does this gigantic force come from?

In various interviews and discussions, the cadres at various levels of these three counties unanimously agreed: the key was that this reform tallied with the actual needs of the countryside. That is to say, the reform measures enabled the production relationships to suit the development of the productive forces. This reform reflected the fundamental interests of the peasants and was thus warmly welcomed by the peasant masses.

In the mountainous areas of Qionglai County there is a commune named Xinmin. During more than 20 years in the past, in building "Dazhai plots" and "mellow-soil fields," this commune wantonly destroyed mountain forests, thus reducing the 400,000 cubic meters or more of timber reserves by half; there was still insufficient grain to eat; those who lived in the mountains fled to the plains; and as the population was smaller life was harder. Reform began here 2 years ago. Decisions were made to make forestry a priority, establish an integrated enterprise combining forestry, industry and commerce, cultivate medicinal materials, develop animal husbandry, weave coir mats and coir ropes and comprehensively utilize forest products. With this change, the people in the mountains who could do nothing but hand in blank slips of paper to their accountants in the past now have to use bags to take away their renminbi. We should like to ask: Can there really be any peasants who do not genuinely and sincerely support this kind of change?

"Once the reform is carried out, everything will go more smoothly." In these three experimental counties, the initial agricultural system reforms have resulted in a corresponding and profound change in the rural work in various fields. In addition, changes are continuing to take place at an irresistible speed. The thinking and work style of cadres have changed; the attitude of the masses to the cadres has changed and the relationship between people which was full of indifference, estrangement and vigilance for a period of time in the past has changed. Many commune members enthusiastically told us that since the 3d Plenary Session of the 11th CCP Central Committee, the party organizations at various levels had become "more close and respectful" and the socialist road had become "more reliable and beloved." In Xindu County, there is a peasant who in the past lived on red Chinese trumpet creeper and on resold corn throughout the year. Now he always has pork and rice to eat and two liang of qu wine to drink. Every time he is tipsy after meals, he will "gossip" with dancing eyebrows and radiant face and say: In the past I was afraid that the party would ask us to "reach the socialist standard," because that would mean tightening our belts and being criticized and attacked. But today I have come to realize this socialism is actually very easy and comfortable and the party leadership is actually fine!

IV

Of course, there is no way that any historical change can make everyone content. The peasants now have enough to eat and wear, a state of affairs which they have been seeking for many years, day and night; and they can display their skills to the full and have bright prospects ahead. But those who are used to "eating out of one big pot" condemn this flagrantly. Moreover, man's understanding of the objective things is not immediately identical with truth. When things develop in spirals and we judge them from the appearance of a small part of the development, this will indeed give people a false impression that things seem to turn back and even retrogress. The "epic" scenes in which people went to work in close military order with bells ringing and whistles blowing have now been replaced by idyllic and pastoral tableaux. In addition, a handsome amount of grain in excess of the fixed quotas and the banknotes obtained for the products of sideline production have directly gone into people's storehouses and pockets without any "discussions" or "approval" by any organization. A peasant of the Honghuang Integrated Enterprise in Qionglai County recently built a beautiful new two-storied building, which was very much admired by the urban people. One visitor asked the master of the new building: "How large a loan did you get?" Unexpectedly, the master of the house threw out his chest and said: "You're joking! I still haven't spent all the money I have in the bank." This is incredible! Because of this, some people have begun to look upon the practice of "dividing the fields and working alone" and the "polarization of rich and poor" as terrible things. They are not sure whether this powerful trend which is now cleansing the Chinese countryside is, in the end, the demons and ghosts of capitalism or the flying dragons and dancing phoenixes of socialism.

To observe the run of a mountain range, it is necessary to stand in a position higher than that of the mountain. A certain amount of time is needed to weigh up the significance of this reform. However, in this corner of the Chinese countryside, owing to an early start and rapid development, the orientation of advance and the trend of development of Sichuan's three experimental counties of rural reforms have revealed themselves quite distinctly. A host of hard facts have shown that the peasant masses who suffered great hardships through feudal exploitation will on no account divorce themselves from the road of collectivization pointed out by the CCP. What they have resisted and opposed is nothing but the egalitarianism and bureaucracy existing in our work. Even under such forms of responsibility system as fixing output quotas for individual households and full assignment of responsibility, the practical and realistic peasants realize that it is not profitable to "contract out" certain work to individual families or households. This work includes the selection and breeding of fine varieties, the forecasting, prevention and cure of plant diseases and elimination of pests, and the raising of rice seedlings in hothouses for paddy cultivation. While practicing specialized contracting, Xindu County made the best use of the situation and set up specialized service companies, such as companies responsible for seeds, plant protection, accounting and agrotechnology, signed contracts with the teams, groups, households and able-bodied laborers engaging in specialized production and practiced unified management and unified distribution among them. This has ensured that all styles of "individual management" have close relationships with the collective economy which is based on specialization and socialization. What we have seen in this corner of the Chinese countryside is precisely this interesting fact. Along with the gradual development of the reform of the rural management system, the peasants of Guanghan, Xindu and Qionglai no longer engage in unitary agricultural production. Instead, on the condition of fulfilling the state purchase tasks, they have, by using local materials, processed agricultural and sideline products, put their products into the market and subjected the profits they thus gained to unified distribution in the communes and their subdivisions. Thus they have begun to break away from the relatively poor historical position resulting from the situation where the peasants only produced, handled and sold raw materials. It is quite obvious that in the situation where the collective economy is developing at a rapid pace, the honest peasant masses will definitely not indulge in the wild fantasy of dividing the fields and working alone!

In this corner of the Chinese countryside, great previously unseen and unheard of changes have made us deeply believe that this system reform is a miraculous cure for rapidly healing the gaping wounds caused by the "leftist" mistakes. It is also a fundamental measure for thoroughly putting an end to the various dishonest practices which have existed for many years. In the past, the economic power in the communes and their subdivisions was in the hands of a small number of cadres. A doggerel went: "A commune member will get a scolding before he manages to borrow money, while for a cadre, one word will be enough for him to borrow money." Even though "cleaning up economic matters" was taken as the key content of the movements launched repeatedly in the past, the unhealthy practices of a section of cadres, such as corruption, theft and embezzlement, were still not successfully curbed. Since the reform of the management system was carried out, things have completely changed. A deputy team leader of a production team of the Zhuyou commune in Xindu County wanted to borrow 300 yuan but the specialized accounting unit which has achieved "specialization in accounting" refused to lend him the money. The deputy team leader had to ask the party secretary of the production brigade to sign the loan approval, but the accountant still sternly refused and said: "According to the regulations of the financial system of the communes and their subdivisions, those who wish to borrow more than 10 yuan must submit a request for the discussion and approval of a general meeting of commune members." The deputy team leader had to give up. Furthermore, in the counties engaged in experimental reform, the general meetings of commune members, the representative assemblies of the masses and the stockholders which are held regularly every year not only discuss and determine production plans and plans for the distribution of income but also criticize and commend as well as select and remove cadres. Thus they are smoothly solving this "longstanding, big and difficult" problem which could not be solved by various campaigns in the past.

In this corner of the Chinese countryside, the past irresistible trend that "those who live in the mountainous areas move to the plains and those residing in the countryside go to the cities and towns" has begun to take a turn for the better. In some places, there has even emerged a suggestion of a "reverse flow." Retired workers from the cities have gone to the communes and their subdivisions on invitation to be technical advisers. Young people awaiting employment in the cities and towns have settled in the countryside by groups. Of them, quite a few have become active factors in building a new socialist countryside. The social problems which have remained unsettled for many years despite repeated appeals have naturally taken a heartening favorable turn. How can those who take a skeptical attitude toward the rural system reform not draw any inspiration from this?

Like all progressive changes in history, the reforms initiated in this or that corner of the Chinese countryside are by no means the subjective wishes of any one person. Rather, they are the objective demands of the development of the productive forces and the inevitable result of the advance of the times. Although the reforms are just a beginning and quite a few measures are still in the exploratory and experimentation stage, the huge momentum initiated by the reforms will inevitably open up a new road which is practical and realistic and suited to China's national condition, a road which will develop socialist agriculture.

CSO: 4004/25

IT IS NECESSARY TO CONDUCT SYSTEMATIC EDUCATION ON MARXIST THEORY AMONG THE CADRES

Beijing RED FLAG in Chinese No 4, 16 Feb 82 pp 29-30

[Article in "Theoretical Study by Cadres" column by Wang Huide [3769 1920 1795]]

[Text] In the 60 years' fighting history of our party, a large number of advanced communist fighters emerged in our revolutionary ranks. They had an unswerving faith in the communist cause and believed that the communist ideal was bound to be realized. They had a clear-cut proletarian world outlook. They thought that to contribute their whole lives to the communist cause and to fight for the people's liberation and happiness was the most significant and valuable thing in the world. So they were able to overcome all kinds of hardship, failure, setback and severe frustration. They were able to firmly persevere in this cause without any vacillation and feeling of being disheartened. Under favorable conditions, they were able to keep a sober head and resist the corrosive influence of bourgeois ideology. Maintaining the true qualities of advanced communist fighters, they did not seek private interests but worked heart and soul for the party's cause and worked hard for the people's interests and happiness. Thanks to the heroic struggle of these thousands of advanced communist fighters, together with the broad masses, our party not only was able to achieve victory in the revolution, but also was able to lead a great nation such as ours with a population of 1 billion to vigorously carry out socialist construction free from the plight caused by various errors of ours and the sabotage of counterrevolutionary cliques.

The emergence of these advanced communist fighters group by group was a sign of vigor and strength in our party's cause. The long-term education on Marxist theory conducted among them by our party was an important reason for their progress. Marxism is the system of Marx' viewpoints and his theories. Marxism is an integrated and perfected world outlook based on Marx' theories on historical materialism, on surplus value and his scientific socialist theory. The more a cadre understands Marxist viewpoints and theories, the clearer and the firmer his ideal and faith will become, and thus his world outlook can be based on a reliable scientific theory. In the early days of the new China, our party conducted education on elementary Marxist theories, especially historical materialism--the history of social development--among the broad masses of cadres, intellectuals and young students. This was a great help in forming their scientific world outlook. After undergoing all kinds of hardship and frustration in the last 30 years and more, even suffering undeserved mental injury, many of them did not waver at all in their faith, and they have not lost any courage in the struggle. All the time, Marxism was their reliable spiritual prop, which encouraged them to make a determined effort. Now, they have become the backbone and the hard core on all fronts of socialist construction. This convincingly shows the great power of Marxist theory, and also the necessity of conducting systematic education on Marxist theory among cadres.

Over the past 10 years and more, a large group of new cadres have joined our ranks. In general, a considerable number of them lack Marxist theoretical training. They have not systematically studied dialectical materialism, historical materialism and Marxist theories on political economics and scientific socialism. This has hampered them from forming a Marxist and scientific world outlook. Not only have the ultraleftist trend of thought and false Marxism of the "gang of four" influenced them, but all kinds of bourgeois ideology, such as bourgeois viewpoints on freedom and democracy, egoism, anarchism and even social Darwinism, have had a considerable impact on them. Owing to their lack of theoretical weapons to fight against these wrong ideas, they have at times been unable to do anything but stand in confusion, hesitancy and vacillation. For this reason, it is imperative to conduct systematic education on Marxist theory among these cadres. They must make up for these missed lessons.

Over the last two decades, the serious sabotage by Lin Biao, Kang Sheng and the "gang of four" of theoretical education work among our cadres is the main reason for their lack of knowledge of Marxist theory. Beginning in the 1960's, Lin Biao clamorously advocated his reactionary pragmatism. He objected to the systematic study of Marxist theory; instead, he advocated "taking a shortcut in study" to "learn things which can be immediately used" and he required that "the results should be seen immediately." He even separated Marxist theories into dozens of fragmentary and unrelated quotations, and applied them indiscriminately. He claimed that "this can make a thousandfold profit with only a small capital." This was not only the most wanton trampling on Marxist theories, but also rescinded all the Marxist theoretical education among the cadres, and disarmed the cadres of all their Marxist theories, thus putting them in a position where they were powerless to resist the influence of various erroneous ideas.

It is now 5 years since the "gang of four" was smashed. The state of affairs whereby the cadres lack Marxist theory should be immediately remedied. The regular system of conducting theoretical education on Marxist theory among the cadres should be reestablished. It is necessary for every cadre to have a chance to receive systematic education on Marxist theory, to grasp the basic knowledge about dialectical materialism, historical materialism and the Marxist theories on political economics and scientific socialism. We should consider how to establish such a theoretical educational system for the cadres: the study of the elementary theory of the three components of Marxism should be made a required task for cadres. Every cadre must fill the gaps in his knowledge. Both their on-the-job study and their study when taking leave from their jobs temporarily should be carried out so that they can receive the necessary and systematic theoretical education. An examination system should be established to inspect and appraise the results of their study.

Of course, there is still more work to be done in order to establish a regular system for the cadres' study of theory. According to their different educational levels and theoretical levels, we have to compile and select all kinds of teaching, reading, and guidance materials. This is an arduous task. We should train theoretical teachers and instructors, set up spare-time political schools, and strengthen the work in all party schools and political schools. The party's propaganda departments should strengthen their work of organizing and guiding the cadres in their study of theory. By so doing, we can create favorable conditions for establishing a regular system for the cadres' study of theory.

The reestablishment of such a system is an important affair relating to many fields. It is our hope that our cadres can come to consider this problem and put forward their proposals.

CSO: 4004/25

LEADING CADRES MUST TAKE THE LEAD IN STUDY

Beijing RED FLAG in Chinese No 4, 16 Feb 82 p 31

[Article by Commentator]

[Text] Our leading cadres at all levels shoulder the heavy task of guiding the modernization drive and conducting ideological and political work for the cadres and masses. Compared with ordinary cadres, it is therefore all the more important that leading cadres study Marxist theory. In recent years, as advocated by the central authorities, many cadres have studied theory afresh, and the atmosphere of serious reading of books and study of problems by the leadership groups has started to become pronounced. This is very good to see. However, many leading cadres are still in a state of "studying in a perfunctory way on account of being busy with work all the time." This trend of the failure to attach importance to theoretical study is not at all commensurate with the duties and responsibilities of a leader. It must be changed.

Certain leading comrades are content with just reading party documents; they reckon that it will be all right so long as they act according to the documents and that there is no need for theoretical study. It is essential to read the documents and understand the party's various principles and policies in order to do a good job in leadership work. However, this cannot take the place of theoretical study. All the correct principles and policies set down or expressed in the documents have Marxism-Leninism-Mao Zedong Thought as their theoretical basis. If one lacks theoretical knowledge and accomplishment, one is prone to lack a deep and penetrating understanding of the party's principles and policies, and just know that things are so without knowing the reason why. In these circumstances, it is difficult to carry out the principles and policies correctly, and one might even waver in work. Generally speaking, documents can only give work guidance in principle; in order to truly do a good job in work in one's area or department, it is necessary to apply the stand, viewpoint and method of Marxism-Leninism-Mao Zedong Thought to analyze the actual situation and solve the actual problems. Comrade Liu Shaoqi pointed out, if a leader lacks knowledge of Marxist theory, he cannot independently decide on the orientation. He held that cadres of this type "are not competent cadres." These words are still worth pondering deeply.

Some comrades do not attach importance to theoretical study because they feel that they have their own experiences. Experiences are very valuable, but without theoretical guidance it is not possible to sum them up very well and to analyze which of one's experiences are correct and which incorrect, to enable one to continually enhance ideological awareness. Moreover, as the objective situation is constantly developing, and new situations and problems are ceaselessly cropping up, if one is satisfied with one's previous experiences and makes no effort to study theory or master the laws for economic construction and other work, so as to avoid narrow-mindedness and one-sidedness in understanding, one may make mistakes in work in addition to being unable to do leadership work well.

The main reason why certain leading cadres study very little is because they are busy with work. It is a fact that many cadres are busy. However, in order to produce practical and effective results from being busy, it is essential to be good at "snatching a little leisure from a busy life" and persist in study. Even the numbers one and two men, whose work is the busiest, can still set aside some time for study if they improve their work methods a bit and cut out some unnecessary meetings. Naturally it is necessary to spend some time on study, but with one's standard of theory genuinely enhanced, one will greatly reduce blind actions, heighten awareness, improve efficiency, embark on fewer tortuous roads and end up actually saving some time. An old saying fits the case: Sharpening the knife does not interfere with cutting up the firewood.

For leading cadres to take the lead in studying theory is beneficial for promoting theoretical study by all the cadres as well as helping themselves to do a good job in work. Only if the principal leaders in a unit attach importance to theoretical study and are accustomed to studying well, thinking deeply and mastering theory can they lead the cadres forward, form a pronounced study atmosphere, and do well in promoting and implementing organizational and theoretical guidance work for cadres' theoretical study. A 1964 Central Committee document on organizing high-ranking cadres to study the works of Marx, Engels, Lenin and Stalin pointed out: In reading books, it is necessary to advocate the airing of views, writing of notes and feelings, and the writing of an article on every book one reads. We should advocate this point afresh today. In the past many leading cadres not only took the lead in study; where possible they also provided guidance for the cadres' study by delivering reports and answered the questions they raised in the course of their study. We should also revive and carry forward this good tradition.

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DO SOLID WORK AND ADVANCE IN STEADY STRIDES--NOTES ON READING COMRADE CHEN YUN'S ECONOMIC WRITINGS

Beijing RED FLAG in Chinese No 4, 16 Feb 82 pp 32-35

[Article by Liu Xiyao, secretary of the Sichuan Provincial CCP Committee]

[Text] Recently, I had the occasion to reread Comrade Chen Yun's economic writings and to recall once again the tortuous road which the socialist construction in our country had to travel and also to look back on the triumphant course which our party has taken since the 3d Plenary Session of the 11th CCP Central Committee. All these reminiscences have been very endearing. Following a year's actual practice, the work undertaken by the party Central Committee in implementing the policy of further readjusting the national economy has achieved notable successes. It will be useful to make a correct appraisal and summation of the experiences gained in the past year and more. In this article, I shall write about my own understanding and comprehension.

1. The further readjustment of the economy has brought about a good situation. As Comrade Chen Yun said: Our readjustment this time is a sober and healthy one. We shall do solid work and continue to advance in steady strides. Indeed, this has been thoroughly verified by the actual experiences over the past year and more. The implementation of the policy of further readjustment makes it necessary for those enterprises which should step back to step back sufficiently. This will necessarily affect the speed of development of the national economy. But to partially reduce a false speed will give place to a speed which can give the nation and people even more actual benefits. It is not retrogression but actually an advance.

In Sichuan Province, owing to the rather heavy fall in industrial production in the first quarter of last year, some comrades were a little skeptical of the policy of further readjustment. In our opinion, the relatively large decline in industrial production in the first quarter of last year was largely owing to the lack of a correct understanding of the policy of further readjustment. What should not have receded was made to recede and ideology was lax. The policy of further readjustment was by no means the cause. But it is not sufficient merely to understand this. The most important cause was that we lacked a sufficient understanding of the serious consequences that had been brought about by "leftist" errors. We failed to see the hidden dangers in the national economy and the problems that could arise. Ideologically we were not prepared and, caught unawares, we had to resist passively.

Last year, despite the setback in the first quarter, subsequently we followed the instructions of the party Central Committee, braced ourselves and our spirit, took a number of measures and, even under such conditions as an extreme energy shortage, a serious lack of work assignments for heavy industry, a severe flood disaster and the disruption of communications and transportation, we still managed to attain a growth rate higher than originally planned. At the same time, the economic structure has gradually become more rationalized. Naturally, the consequences brought about by a prolonged period of "leftist" errors could hardly be eradicated within a comparatively short period of time, although the general situation was becoming better day by day. This amply confirmed the correctness of the policy of the central authorities. If we had not carried out the further readjustment of the economy and if, politically, we had not implemented important policies and a series of measures to achieve further stability, the good situation of today would not have existed. At the same time, this verified the reasoning expounded by Comrade Chen Yun that while it is not good to allow conservatism to impede the speed of progress which construction richly deserves, it is much easier to rectify conservatism than to rectify adventurism.

2. The anxiety for results and for speed frequently ends in tardiness. Comrade Chen Yun long ago pointed out: In order to develop the national economy more rapidly, we must display equal concern for economic construction and the people's life. The two must be balanced. Over a rather prolonged period, this balancing work will be rather strenuous. It is rather difficult for both construction and the people's life to be in easy circumstances. What Comrade Chen Yun expressed here was a conclusion based on the objective laws governing socialist economic development and derived from factors such as our country's large population, the relatively large proportion of people in the countryside, and the backward economic conditions.

In the past, under the guidance of the "leftist" erroneous ideology, for a prolonged period the scale of our construction exceeded the capability of the nation. Although compared with other countries in the world, the speed of the development of our national economy was not slow, the country and the people have not received any substantial benefits. On the contrary, a serious imbalance in the proportionate relationships of the national economy has resulted. The people's life has been affected and national construction has likewise been affected. We have been compelled to undertake big readjustment work on two occasions and the speed of development has been lowered.

There cannot be any adventurism in construction. Can there be adventurism in bettering the people's standard of living? The answer is no. In both cases, we must act according to our ability. In early 1957, Comrade Chen Yun, referring to the conditions at that time, pointed out that there must be a rise in the people's purchasing power but that the amount of the rise had to conform with the available supply of consumer goods and the rise should not be too rapid. The people's standard of living should be improved, but this should be done gradually following the progress of production development. Therefore, we cannot be too hasty. Since the 3d Plenary Session of the 11th CCP Central Committee, actual practice has again verified this truth. Since both matters must be attended to and must be mutually balanced and since the balancing work is strenuous, we must resort to thrift and economy, to improving economic results and to achieving appropriately proportional relationships. We should strive to enable the people to fill their stomachs and at the same time do construction work. We must ensure that after the people have filled their stomachs the state still has sufficient resources left for construction work. If we only pay attention to construction and neglect the improvement of the people's standard of living, not only will the people's enthusiasm be adversely affected but also their purchasing power will not be able to be raised and production and construction will not be able to develop more rapidly. Conversely, if the people live too comfortably and eat and spend everything, then the state will be incapable of undertaking construction and the economy and culture will not be able to develop more rapidly, while the improvement of the people's standard of living will not be able to be sustained. Therefore, we must earnestly carry out investigation and research and find out the governing objective laws. We must then follow these objective laws studiously. Should we rely solely on subjective wishes and anxiously want quick results, then tardiness in lieu of rapidity will invariably result. We must earnestly learn from this often-repeated historical lesson.

3. The planned economy should come first and market regulation, second. All along this has been advocated by Comrade Chen Yun. In order for both national construction and the people's standard of living to be attended to at the same time and for the national economy to develop more rapidly and in a stable and sustained manner, we must have planning, and proper proportionate relationships and we must seek an overall balance. The modern economy is complex and complicated; its links follow each other closely. Just as Comrade Chen Yun said, failure to achieve an overall balance will result in one being unable to move a single step. Without an overall balance to coordinate development, basically there cannot be any development speed, much less any great economic effect. The superior nature of the socialist system is found in that it takes the planned economy as the center and market regulation as the supplement and that it treats the whole country as one big chessboard and work is done in line with a unified plan. Because in the past many "leftist" errors were committed under the pretext of adherence to planned economy, some comrades, on hearing the party Central Committee's call to reaffirm planned economy as the main task and to treat the whole country as one big chessboard, were worried that the economy was heading toward a dead end again and wondered if retrogression was on the way. Obviously, planning was clearly misunderstood.

During the first 5-year plan period, we completely copied the Soviet Union's methodology in planned economy. Aiming primarily at the problems of that time and taking into consideration the actual conditions of our country, Comrade Chen Yun put forward a superb thesis, urging the institution of three main bodies and three supplementary bodies. Unfortunately, at that time we did not act according to his correct views. Before 1958, there existed many problems of overcentralization and too-tight control, while in 1958, in the course of thorough emancipation and under the slogan of wiping out superstition, we broke with certain scientific concepts which should not have been eliminated. We gave no thought to planning or to work according to a proper ratio. Rather, we set "high targets," instituted the "Great Leap Forward," and indulged in the thought that "once a horse starts galloping, other horses will follow." Afterward, we started the so-called "going in for something in a big way," and encouraged the provinces to set up independent and integrated industrial systems of their own. We refused to talk about an overall balance or "treating the whole country as one big chessboard." Construction of many projects was hastily decided upon without first having undergone thorough investigation and research or scientific examination, or there being an assurance that an overall balance would be achieved. In summing up historical experiences, we cannot fail to see two aspects, namely, that most people are prone to more readily understand the problem of overcentralization and of too-tight control, while many comrades fail to pay sufficient attention to "leftist" errors such as neglecting planning, neglecting to ensure work according to a proper ratio, and failing to achieve an overall balance.

We should never make planning guidance and market regulation oppose each other; nor should we upset their respective main and supplementary roles. In planning, we should first consider the need to satisfy the material and cultural demands of the people. We should endeavor to grasp the conditions of the market and give due consideration to the stability and sustained growth of production and the general improvement of the people's standard of living. In formulating a plan, we must include in the plan the factors and the role of market regulation. It is a mistake to draw up a plan which exercises excessively rigid control. If this is done, it must be rectified. At the same time, we must give full play to the regulation and supplementary role of the market, as we are doing now. However, we must never allow market regulation to get out of control and oppose the plan. Free production and free trade which are divorced from the unified plan and from the collective interests should not be condoned.

4. Only in doing solid work and following the prescribed order can we attain a rapid development of the economy. This embraces the spirit of Comrade Chen Yun's recent talk. Back in 1962, he said: Only in working out an overall balance on a "short-line" basis can there be a real overall balance. For a prolonged period of time there has been a controversy between a so-called active balance and a passive balance. But, what is an active balance? One interpretation is that only in working out a balance on a "long-line" basis, that is to say, a balance with gaps, is there an active balance. This interpretation considers Comrade Chen Yun's "short-line" balance as conservative and passive. In reality, in the final analysis, the so-called "long-line" balance cannot balance. That is to say, there is no balance in it at all. This is precisely why there has been so much extravagance in economic construction. Seeking a "short-line" balance means that we must acknowledge reality, do solid work and achieve a real balance. Whether we are active or passive depends on the attitude we have taken toward the "short-line";

whether we fully understand it and handle it real earnestly or leave it alone and treat it lightly; and whether we resort to thousands of ways and means and actively press forward to change the "short" into "long," or are content with the present status, lay undue stress on objectivity, and do nothing.

The precise object of the party Central Committee in advocating the policy of readjustment, restructuring, reorganization and upgrading and in undertaking the further readjustment of the national economy is to face squarely the defects, weak points and problems in developing our national economy and to take appropriate measures to rectify them. It demonstrates the party's real sense of responsibility for national construction and the people's standard of living. In working hard for the prosperity of the country and going all out to achieve progress, we must grasp the focal points and the weak links of these problems. We must work solidly, in a planned manner and step by step, to overcome difficulties and solve problems. We must attain a development speed which can bring to the country and the people more real benefits and relatively high economic results, and thus find a new road for the socialist economic construction of our country. Socialist economic construction is a science. Like all sciences, it has no "short-cut" road to success. Only in not fearing hardships and difficulties and in solidly working according to scientific laws can we reach the peak of success.

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THE POTENTIAL FOR ACHIEVING BETTER ECONOMIC RESULTS AS SEEN FROM THE MANAGEMENT OF ENTERPRISES IN SHASHI MUNICIPALITY

Beijing RED FLAG in Chinese No 4, 16 Feb 82 pp 34-36

[Article by Mu Changsheng [4476 1603 3932], secretary of the Shashi Municipal CCP Committee]

[Text] In his government work report delivered to the 4th session of the 5th NPC, Premier Zhao Ziyang pointed out that, in order to develop our national economy, we must blaze a new trail characterized by a more practical speed and better economic results, yielding more substantial benefits to the people. He also put forward 10 principles for economic construction which we must follow while trying to blaze the new trail. The crux of these 10 principles lies in the problem of improving economic results. This is also a key problem in socialist industrial management. In his government work report, Premier Zhao explicitly said, "In order to tap the potential of existing enterprises, secure better economic results and increase state revenues, it is imperative that the all-round consolidation of enterprises be carried out in groups and in a planned way." Seen from the situation of the development of industry in Shashi, it is completely necessary to implement this principle.

While appraising the economic results achieved by an enterprise, we mainly consider the amount of labor used for producing a given amount of products. Provided the quantity and the quality of products are the same, the smaller the amount of labor used, the better the economic results. Therefore, in order to improve its economic results, an enterprise should take management measures to properly mobilize and organize all personnel, funds and materials, and thus bring their roles into full play.

Modern enterprises engage in continuous mass production, which involves complicated types of work and various work procedures. If any one of these procedures, which closely interlock with each other, goes wrong, all the production procedures will be interrupted. In order to keep the production going in an orderly and harmonious manner, on the one hand, the workers must be required to maintain a high sense of responsibility and fulfill their duties with an overall point of view and a hard-working attitude; on the other hand, production management must be strengthened and improved.

However, at present, there are a considerable number of industrial enterprises in which the management is extremely unsuitable for modern production. The equipment of many enterprises in Shashi has been improved and become more advanced as compared with that in the 1950's and 1960's. Particularly in recent years, many enterprises have greatly increased new equipment, carried out renovation and transformation, and introduced some new techniques and technology. This has greatly helped to improve the productivity and promote the industrial development of the whole city. Over the last 5 years, the average yearly industrial growth rate in Shashi was over 20 percent. However, owing to the drawbacks existing in some enterprises, such as weak management, disorderly production arrangements, lax labor discipline and serious waste, the existing manpower and material resources cannot be fully utilized. According to a sample survey, in most of the enterprises, 15 to 20 percent of the potential for increasing production has not been tapped and the percentage of untapped potential for decreasing consumption is even higher. This shows that there are still a large number of problems in the field of economic results in the industrial enterprises.

Recently, we studied the data concerned and took the textile industry in Shashi, which forms a major part of this city's industry, as an example to compare with the same trade in Shanghai. We found that the average use of funds by each worker in Shashi in 1979 was 10,705 yuan, or 137 percent higher than that in Shanghai, which was only 4,500 yuan. However, the average contribution of taxes and profits by every worker in Shashi was just 5,528 yuan, or 34 percent lower than that in Shanghai, which was 8,300 yuan. As far as the equipment and other production conditions are concerned, the textile industry in Shashi is not worse than that in Shanghai, and is even better in some aspects. The reason for its low economic efficiency lies in ineffective management.

The reasons for this situation are many-sided. As Premier Zhao pointed out in his government work report, the subjective reason mainly lies in the long-standing "leftist" errors "existing in our guidelines for economic construction. They prevented us from acting in conformity with objective economic laws in many of our efforts. Coupled with the disruption during the decade-long 'Cultural Revolution,' this could not but seriously hamper us in giving play to the superiority of our socialist system and it could not but impede our economic construction and detract from its results." It can be seen by looking at Shashi's industry that, for a long period of time, owing to the "leftist" influence, many enterprises in expanding their reproduction did not put inner improvement first but put outer expansion first. The ineffective management in these enterprises resulted in high consumption, poor product quality and low income. Although the production growth rate seemed quite high, the economic results were not satisfactory. Over recent years, after implementing the principles of readjusting, restructuring, reorganizing and upgrading the national economy, many enterprises have changed their production guidelines and paid more attention to improving their management, and they have achieved a certain improvement in economic results. However, there are still a number of enterprises which have not actively shifted their emphasis from outer expansion to inner improvement and have not consistently paid attention to improving management. As a result, the potential of these enterprises has not been fully tapped. This cannot but impede the improvement of their economic results.

How should the principles raised by Premier Zhao in his report be implemented so as to further readjust and strengthen the enterprise management and thus improve economic results? We found the following problems needing immediate attention.

In order to improve economic results, it is necessary to effectively use work time and raise the utilization rate of working hours. Every worker must cherish his work time. If he does not work conscientiously and responsibly in his working time, the number of products he can make will become fewer and time will be wasted. This will further result in higher unit cost of products, reduced economic efficiency and benefits, high wages, and increased management expenses and other expenditures. At present there are enterprises in which the utilization of work time is not good. For example, in the Shashi valve plant, the management of which is comparatively advanced for this city, the rate of attendance in the first half of 1981 was only 85.2 percent and the utilization rate of working hours was just 74.4 percent. As regards the whole city, things are much worse: the utilization rate of working hours was only 50 to 60 percent and the rate in some enterprises was as low as about 40 percent. Faced with this situation, we must start by straightening out the enterprises, raise management levels, consolidate the working organization, tighten labor discipline, and firmly eliminate liberal and lax tendencies among the labor force. Along with this, we should implement and perfect the economic responsibility system, set down reasonable production quotas, lay down and put into effect rules and regulations, and perfect measures which comply with the principle of distribution according to work. At the same time, we should strengthen ideological and political work, so as to enhance the workers' sense of responsibility and their consciousness in making full use of their working hours.

In order to improve economic results, we must attach great importance to enhancing the workers' technical level and the cadres' management level. As the degree of mechanization increases, the division of labor becomes more and more elaborate and the relationship between workers becomes closer and closer. This requires that cadres have higher management skills and workers have higher technical quality. If the management capability and operation skills cannot keep pace, no matter how sophisticated the equipment is, it will not help achieve good economic results. Last September we made a survey of the economic activities of the textile industry in this city. We found that, in the No 1 Knitting Mill, the equipment utilization rate in the period from January to September was 70.89 percent, or 5.74 percent lower than in the same period of the previous year; the equipment operation rate in that period was 81.6 percent, or 10.9 percent lower than in the previous year. Just on the basis of these two changes, the output value decreased by 3.22 million yuan and the profits decreased by 580,000 yuan. The main reasons for the above problems lie in the fact that a large group of new workers who entered the factory lacked technological training and they were not good at operating the new advanced equipment. Meanwhile, production management was not able to adjust to the new conditions. This proves that leaders and managerial personnel must master the know-how pertaining to managing a modern enterprise. At the same time, the workers' technical quality should be enhanced. Relying on the help of older workers, and by strengthening the technological training of the whole staff, we should ensure that every worker becomes proficient in one or several production skills and is able to operate the advanced equipment skillfully. It is also necessary to study the advanced experiences of other people in the same trade, try by all means to adopt advanced technology, and carry out technological transformation and innovation on a large scale. In this way, we will be able to greatly improve economic results.

In order to improve economic results, it is necessary to try by all means to reduce the consumption of materialized labor. Production needs to consume a given amount of raw materials, fuel and power. Consumption within quotas is reasonable and effective, but that part above quotas is unreasonable and ineffective consumption. This seems very simple, but quite a number of enterprise leaders have not paid due attention to it. In the first half of 1981, enterprises in Shashi increased consumption of electrical power by 14.17 million kwh, of coal by 1,493 tons, of raw oil by 1,560 tons. In the same period, in the 10 state-owned textile enterprises run by the municipality, 13 of the 20 major consumption indexes increased over those in the previous year. As a result, profits in the first 8 months of 1981 decreased by 2.08 million yuan. Owing to the waste caused by the substandard products, another 1 million yuan was lost. This shows that there is great potential for reducing the consumption of materialized labor. This also shows that we must actively encourage and develop the spirit of industriousness and thriftiness, practice careful calculations and strict budgeting, and tighten control over the consumption of materialized labor, so as to economize on it and eliminate its waste. Meanwhile, we must try by all means to adopt advanced technology, improve product designs, accelerate the renewal of the product generations, attach importance to quality control, increase products of high quality and decrease substandard or wasteful products. An increase of substandard or wasteful products will certainly lead to an increase in the consumption of materialized labor and waste of working hours, thus affecting economic results.

In order to improve economic results, it is necessary to attach great importance to market demands, make great efforts to improve product quality and increase the variety of goods which sell well. The production aim of our socialist enterprises is to satisfy the increasing demands of the people's material and cultural life. When estimating the economic results of enterprises, we should not only consider the output value of their production, but also how well their products meet social demands. If they consume materialized labor and actual labor but produce products of poor quality which sell poorly, a waste of labor and material resources will be bound to result, thus affecting the economic results. We found that this kind of waste was a common phenomenon in some enterprises. For example, a certain textile mill in Shashi, neglecting market demands, has blindly produced some chemical fiber products for which there is no demand, thus resulting in overstocking. Ostensibly, the output value of the factory had increased. But, as products were overstocked in the commercial department and did not sell well, the output value and economic results were all false. From now on, the stupid practice of doing things which earn us a name but bring us only trouble can never be repeated. Enterprises should be made to clearly understand the purpose of socialist production. Guidelines should be set for them in serving consumers, and they should do a good job in improving product quality and variety. Only in this way can the value and use value of products be in accord. And only thus can economic results be effectively improved.

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CONSCIENTIOUSLY DO A GOOD JOB IN THE IMPORTANT TASK OF HANDLING LETTERS AND VISITS

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[Short commentary]

[Text] Earnestly taking up the responsibility of doing a good job of handling people's letters and visits is an important task in maintaining close ties between the party and the masses. Protected by the constitution of the PRC and the party constitution, party members and the masses have the right and obligation, by means of letters and visits, to report on current conditions, to air grievances, to expose unlawful acts and violations of discipline and unhealthy tendencies in existence, and to criticize the various phases of work of the party and the government or to make recommendations thereon. In so doing, the masses of people demonstrate their full confidence in the party and the government. It is also one form of their participation in the political life of the party and of the nation and of their supervision over the various levels of leadership organs and their personnel. In the past few years, the various levels of leadership organs of the party and government and the relevant departments have paid increasing attention to this matter. They have done much work in this connection and have reaped good results. Nevertheless, several problems still exist which need to be thoroughly solved. Actual practice has shown that whether or not this important task has been well handled not only has a direct bearing on the political and economic rights and benefits of the parties concerned but also is closely related to the atmosphere of the whole party, the general mood of society, and the stability and unity of the whole society. We must really handle it as an important task and do a good job of it.

The focal point in doing a good job of this important task lies in the fact that the leadership cadres of the various party and government organs and the departments in charge of discipline and supervision and those handling letters and visits must embody a spirit of being highly responsible to the people. They must prevent and overcome the bureaucratic way of doing things and must earnestly take up the responsibility of grasping cases in a practicable manner. They must pay great attention to, and solemnly handle, all letters and visits, regardless of the parties concerned or the nature of the problems. First, they must not speak in a bureaucratic tone, must avoid the "yamen" air, but must treat the letters and visitors with sincerity. They must read carefully all the letters and patiently listen to what the visitors have to say. They must not show any annoyance if the visitors do not deliver their complaints in a coherent manner. As to those visitors who cannot control their temper, they must patiently console them and must not grumble at their bad attitude. Second, we must avoid arrears or procrastination in work, and must handle all cases promptly. All past arrears of work must be cleared off. As for problems that have newly arisen, we must promptly analyze and study them and take necessary measures on each and every one of them with due reference to the different circumstances involved and also in the order of their importance or urgency. We must not delay in making a decision. Concerning cases within one's own area of duties, the responsibility is assigned to the individual and a time limit must be set for their resolution. As for cases requiring instructions from above, instructions must be sought promptly, and must be put in effect as soon as they are received. Cases which should be referred to a subordinate organ to be handled should be so referred promptly and we should follow up by timely checking the progress of work and if it is not yet done, then the responsibility for the delay must be duly investigated. Third, do not dodge or make any excuses, or try to shift a problem to somewhere else. We must solidly and really solve a problem. In the case of a miscarriage of justice, the unjust verdict must be reversed, regardless of who originally handled it or who approved it. If policies are still found not yet implemented, they should be thoroughly implemented. Dodging and evading is tantamount to being irresponsible. A bureaucratic way of doing things which must be conquered is the taking of an irresponsible attitude toward the subject matter of complaints, or exposures, or charges and shifting the cases to subordinate organs, possibly eventually ending up at the culprit organs concerned. Frequent shifts of responsibility mean that the case has not yet been resolved. In fact, the case may become complicated and may result in more attacks and retaliation. As for really questionable comrades, they should be dealt with within the policy limits. In the event that an immediate solution is not possible, the actual circumstances must be explained to the party organ concerned to obtain their sympathetic understanding. Some visitors may make excessive or inappropriate demands. If this occurs, we must do some patient ideological and political processing work, and firmly insist that their problems be handled in accordance with party policies. Some letters and visitors may present views which are critical or constructive. They must be warmly encouraged, and their views must be promptly reported to the higher levels and forwarded to the relevant departments for further study. Due replies must be made. We must not be noncommittal or fail to give any reply. Actual practice has shown that in those localities which have carried out fairly well all the three points mentioned above, the number of letters and visitors making complaints has been continuously diminishing and the cases of bypassing the immediate leadership to present the problems to higher levels have steadily decreased. Conversely, in localities which have an accumulation of unresolved cases, the hidden contradictions have multiplied. Thus, it can be seen that overcoming the bureaucratic way of doing things and promoting the spirit of responsibility have an important bearing on the work of handling letters and visits.

Quite a number of the conditions and problems reflected in the people's letters and visits have been related to the unhealthy tendencies of unlawfulness and breach of party discipline inside the party and among the cadres. The various leadership organs of the party and government and the departments handling discipline inspection, or letters or visits, or legal affairs must thoroughly investigate problems of this kind. Each and every case must be closely scrutinized. Regardless of the number of cases pending, they must all be investigated. We should not consider this as too bothersome and should not be frightened by the large number of problems or by the fact that many cases cannot be easily dealt with. Whichever party committee is in charge must rigidly be made to take charge. The cases should not be turned over to ordinary or basic-level workers, since this may cause the cases to drag on and remain unresolved. We must determinedly protect the dignity of party discipline and national law. Inside the party and among the people we must truly carry out the principle that everybody is equal before the party and law. What must be done should be done. To be able to do this, we must be unselfish and fearless. First, we should not act wrongly or out of personal considerations or plead for others. We should not turn big problems into small problems and small problems into no problem at all. Second, we should not be afraid of retaliation or "give somebody tight shoes to wear" (make things hard for somebody by abusing our power). Whoever commits a crime must be prosecuted. The more important the cadres are who have violated party discipline and the national law, the more courageously should the higher-level party committee conduct itself in criticizing, stopping and even prosecuting the offenders. We shall never allow anybody to become unbridled or to have his own way even though he may have rendered past services to the state. Only in so doing can the party instill healthy tendencies and can we follow the wishes of the people and maintain the good reputation of the party and the government among the masses of people.

In confronting the current conditions and problems concerning the work of handling letters and visits, we should take the effective measure of "grasping the two ends and guiding the middle part." One end is to press for the resolution of problems which have been left pending. Some units or cadres have persisted in leaving cases unresolved even though they have substantial evidence on hand and these cases really deserve a reversal of their original verdicts in accordance with government policy. Some even went so far as to destroy evidence of bribery, prepare false evidence and lie. Some units or cadres have refused to investigate cases involving violations of discipline or law-breaking and impeded in various ways the necessary investigation and prosecution work. They even attacked or retaliated against the complainants or those reporting crimes. Why have they left these cases unresolved? This may be accounted for by two possible reasons. One is bureaucratism and lacking concern for the sufferings of the masses. The other is that the cases or problems exposed by the masses are directly or indirectly related to those in charge. To stop such practices, the high-level leadership organs must make a thorough investigation. They should solemnly deal with these cases and should take necessary measures, legal or otherwise, against offenders until they have been removed from their posts or duly punished. The other end relates to the problem of handling those visitors who have unreasonably created scenes and are generally incorrigible. Stern measures should be taken against such people. They should be subjected to labor reform, not to be released until they have fully repented and have given reassurances that they will not commit any more offenses. As a matter of fact, people of this category constitute the minority of the visitors, with the exception of those who have really suffered injustice or have some concrete and unresolved problems and must persist in making visits. In handling this category of persons, we must seriously appraise the actual circumstances and should refrain from deliberately enlarging the scope. We must sternly deal with those found to have taken the opportunity to falsely accuse or to attack other people to seek revenge. If we can firmly grasp the work along these two ends and at the same time pay sufficient attention to motivating other work in connection with letters and visits, then within a short period of time it will be possible to achieve noticeable results. We shall then be able to greatly promote the improvement of the tendencies and atmosphere of the party and society and also promote the stability and unity of the whole society. The various levels of party and government leadership organs should pay great attention to this important task which is beneficial to the party and to the people's interests, and should never regard it lightly.

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BOWING ONE'S HEAD AND GIVING WAY TO OTHERS

Beijing RED FLAG in Chinese No 4, 16 Feb 82 pp 39-40

[Ideological commentary by Lin Wenshan [2651 2429 1472]]

[Text] Good news spread on New Year's Day: At the forum on Comrade Chen Yun's article--"Tell the Truth, Do Not Save Face"--which had just been published, some old comrades who had been struggling for the revolutionary cause for several decades made some very sincere remarks. In brief, they urged us not to tolerate violations of the law and breaches of discipline, and not to give way to evil practices.

At the end of the 1950's, our party courageously mobilized the Chinese people to start a discussion on how China could open up a path for industrialization on its own. A stirring slogan was raised during this discussion--"make the mountains bow their heads and the rivers give way." Due to the mistakes in guiding ideology, this discussion did not score good results as expected but brought about the severe failure of the "Great Leap Forward." For this reason, the above slogan seemed to have become the synonym for boasting. In fact, to make the mountains bow their heads and the rivers give way is not an impossibility. During the 32 years since the founding of the PRC, we built railways such as the Baoji-Chengdu line, the Chengdu-Kunming line, the Xiangyang-Chongqing line and so on; we completed key large-scale water conservation projects such as the Liujiazia project, the Longyangxia project, Gezhouba Dam and so on; we also erected the Xiamen dike. None of these could be accomplished without removing mountains, damming rivers and reclaiming land from the seas. Examples like these are innumerable. The key is that we have to follow the objective law in things while getting rid of subjectivism. Therefore, the proletariat's indomitable boldness of vision which is reflected in the slogan should never be negated. Truth is on the proletariat's side, and our cause is a just one which is bound to win. All the forces which obstruct history from moving ahead will be forced to surrender and give way to the revolutionaries.

One of the consequences which the 10 years of turbulence brought to us is the large number of problems which constitute obstacles before us like "mountains" and "rivers." Offenses against the law and discipline can be considered as a mountain and evil practices as a river. This mountain severs our flesh-and-blood ties with the masses of people and prevents us from advancing, while that river may run rampant and flood the results which we have scored. Irremediable losses for the state and the people will be caused if we just let such a "mountain" and "river" remain. Whether this mountain bows its head or we bow ours, whether this river gives way to us or we give way to it, this problem is certainly a matter of life and death to our party and our country.

For the proletariat, there is but one answer: Never bow your heads to offenses against the law and discipline, and never give way to evil practices. Fortunately, there is one thing we can be gratified about: Quite a few advanced units and advanced individuals who resolutely fight against evil trends are emerging under the leadership of the CCP Central Committee. The Ministry of Coal Industry is a good example.

A kind of "flowing backward" has been prevalent in the Ministry of Coal Industry. Some children and relatives of cadres on the coal industrial front refused to work in coal pits as excavators and tried to get transferred from coal pits to offices. This was an unhealthy trend. So, the leading comrades of the Ministry of Coal Industry made up their minds to uphold principles, and redress without wavering the wrong tendency of "flowing backward." They laid down strict requirements, took effective measures and carried out conscientious examinations. They courageously criticized those cadres who did not do their best in implementing the regulations. They even went as far as to criticize them by name in newspapers. They bravely handled cases of those illegally transferred personnel, and even dismissed those who refused to return to coal pits and prohibited all coal industrial enterprises from reemploying them. Such boldness of vision which the leading comrades of the Ministry of Coal Industry showed in refusing to surrender and give way to the practice of "flowing backward" was really great. It can serve as a good example for the redressing of party work style. Being soft on a specific problem, "giving wrongdoers a way out," and letting those who are doing evil take advantage without being punished will only encourage offenders of the law and discipline, give the green light to evil practices and thus reduce the redressing of party work style to empty words.

Both offenses against law and discipline and evil practices can spoil social customs and thus hurt the party, the country and the people. Those persons who do shameful things like these are not up to the basic moral standards for a citizen, not to mention the qualifications for CCP membership. Every person with normal intelligence can clearly see the fact that offenses against law and discipline and evil practices go against the will of the party and the people, that they are adverse currents, nonessentials and undercurrents. The vast number of cadres and masses have long been very disgusted with such phenomena. Now that these phenomena constitute obstacles before us like "mountains" and "rivers," our party Central Committee has made the decision to completely check and thoroughly eliminate them. Both the people's will and the party's determination show us that no offense against the law and discipline and evil practices can be allowed to exist on the land of our great socialist PRC. We must live up to our word and should never stop until our goal is reached. This calls for an integration of leaders and the masses, and the mobilization of the whole people. First of all, those who are undertaking leading posts should take the lead in observing law and discipline and should never surrender and give way to the unhealthy tendencies existing in their own minds; those who have committed errors should take the lead in carrying out self-criticism and redressing mistakes. We call this bowing our heads to truth. At the same time, we must give strong support to those cadres and masses who resolutely struggle against unhealthy trends. We call this giving way to able and virtuous people who are on the side of truth.

Bowing our heads to truth and giving way to able and virtuous people also embody the great boldness of vision of the proletariat who keep to the direction of historical development. Such a boldness is needed in the struggle against the unhealthy trends as well as in other work. The leading comrades of the Ministry of Coal Industry have done well in these fields too. Faced with the poor fulfillment of the coal production task, Comrade Gao Yangwen, minister of coal industry, carried out a self-criticism at a meeting and then made a self-examination over radio and in newspapers before the people of the whole country, admitting that the main reason for the poor fulfillment lay in inefficient leadership and low morale. He took no account of his personal prestige and did not worry that "making self-criticism would make him lose face." So, he surrendered to truth and took the lead in resuming our party's fine tradition of self-criticism. After that, six old comrades in the Ministry of Coal Industry resigned on their own as vice ministers and retreated to the second line so as to give way to able and virtuous persons--to allow those comrades in their prime of life to give a better play to their abilities. In acting in this way, the leading comrades of the Ministry of Coal Industry have set examples for all of us. Then why should we doubt the possibility of a successful redressing of party work style since our comrades are armed with such a proletarian boldness of vision?

In the last few years, under the leadership of the CCP Central Committee, the party's work style has been improved and its prestige among the masses of the people has been upgraded. It is wrong to ignore this fact. Now, the problem is how to strive for a fundamental favorable turn for the better in the party's work style. And the key is to emulate the Ministry of Coal Industry; never bow our heads to offenses against the law and discipline and never give way to evil practices; but bow our heads to truth and give way to able and virtuous persons.

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SCIENTISTS DISCUSS SYNTHESIZING OF T-RNA

Beijing RED FLAG in Chinese No 4, 16 Feb 82 pp 41-44

> [Text] Editor's note: The research leading to the successful synthesizing of yeast alanine transfer-ribonucleic acid--T-RNA--is a major discovery and is as significant as the synthesizing of bovine insulin. This discovery was the result of the teamwork of the six units of the Shanghai Institute of Biochemistry, the Shanghai Institute of Cytobiology, the Shanghai Institute of Organic Chemistry, the Institute of Biophysics, all of which are under the auspices of the Chinese Academy of Sciences, and the biology department of Beijing University and the Shanghai No 2 Reagent Factory. This discovery has enabled us to take another step further in the long journey of exploring life sciences. All personnel participating in this research displayed the spirit of achieving rejuvenation through self-reliance, assiduously tackling key problems, coordinating and boldly scaling new heights. This is highly commendable.

Article by Wang Yinglai [3769 2019 4202]: "Fight in Unity and Tackle Problems Together"

Nucleic acid and protein are two of the most important macromolecular substances in the bodies of organisms. The former is the basic material of heredity and the latter stimulates various activities within organisms. Without these activities, there would be no life as we know it. Early in the mid-1950's, after the first protein--the chemical structure of bovine insulin (namely, the sequence of permutation of amino acid) was understood--people categorically asserted (see the British NATURE MAGAZINE 1955 issues) that although the chemical structure of the first protein was resolved, the possibility of synthesizing protein was a matter for the remote future. No more than 10 years after that assertion was made, Chinese scientists synthesized the first known chemically structured protein--bovine insulin--which shook the international scientific circles at that time. Now another biological macromolecular structure, that is, yeast alanine transfer-ribonucleic acid--T-RNA--has been synthesized first by Chinese scientists, thus enabling China to continue to be in the world's advanced ranks in the study of synthetic biological macromolecules. This is a matter which merits praise.

Being twice a group leader of the coordination group for synthesizing basic biological macromolecules, I deeply realize the importance and necessity of "fighting in coordination." Of course, the method of "fighting in coordination" should not be indiscriminately applied to every important subject of basic study. The adoption of this method depends on the nature of the research undertaken and the number of branches of learning included (that is, the different branches) and on the various stages of the research. In regard to many basic theoretical studies, large-scale coordination is not necessarily suitable and also not required, but as for the two tasks for synthesizing protein and ribonucleic acid, studying in coordination actually quickened the pace of fulfillment of the task and ensured the quality of the work through mutual tests and verification by different units.

We paid attention to fully encouraging democracy in our research work. At meetings of the coordination groups in Shanghai and Beijing, apart from hearing reports from the various subordinate units and discussing and studying the problems existing in the work, we arranged the tasks and division of work for the next stage of research. At these meetings, the representatives of the various units spoke freely. This indicated that the enthusiasm of the units participating in the coordination was fairly high. Before 1972, the plans for the synthesizing were mainly to adopt the method of chemical linking and of assigning responsibility by stages to the various units. However, no significant progress was made. At the same time, in the international arena there emerged a report relating to enzyme linking. In 1974, the Shanghai Institute of Biochemistry successfully used N1-RNA enzymes provided by the Institute of Biophysics to link two sections of 4 nucleotide-long into a section of 8 nucleotide-long. This was a heartening step in the combining of enzyme synthesis with chemical synthesis. At the end of 1975, at the Beijing-Shanghai coordination meeting, a plan was drawn up to directly link small sections with RNA synthetase and without using any patches. In 1976, 12 nucleotide-long and 16 nucleotide-long sections were linked successfully one after another, thus proving that the decision made at the 1975 Beijing coordination meeting was feasible.

Concentrating on crucial problems in the work and organizing great "key task" battles were important experiences in the success of this research work. At a meeting of the coordination groups held in Shanghai in March 1978, we discussed some crucial problems existing in the work at that time. In order to speed up the progress of the work, a decision was made to set up three battle groups: 1) the RNA synthetase battle group of which the Institute of Biophysics was in charge with the participation of personnel from the Shanghai Institute of Cytobiology and the Shanghai Institute of Biochemistry; 2) the activity determination research battle group of which the Shanghai Institute of Cytobiology was in charge with the participation of the Shanghai Institute of Biochemistry; and 3) the battle group of big-section binding and total synthesis of which the Institute of Biochemistry was in charge with the participation of the Shanghai Institute of Organic Chemistry, the Shanghai Institute of Cytobiology, the Institute of Biophysics and the biology department of Beijing University. This decision to set up the three battle groups was very important and timely. It played a positive and promotive role in the later stages of the work. The 13 years of experience in coordinated study on the synthesizing of ribonucleic acid has helped us deeply realize that for scientific research work to develop at a rapid pace, it is necessary to have a political situation of stability and unity so that the research personnel can work contentedly; it is necessary to have a correct line in work, to get rid of the obstructions of "leftist" thinking and selfish departmentalism; and the concern and leadership of the party organizations at various levels is the guarantee that the various coordination units will fight in unity and will strengthen the confidence and resolve of the research personnel.

Article by Wang You [3076 3731]: "Knowledge That Knows No Bounds, an Achievement of the Times"

"To understand genuinely and thoroughly what life is, we must probe into all manifestations of life, from the most elementary to the most advanced."--Engels

After chemically synthesizing crystalline insulin, the Chinese scientific and technological personnel who were active in the field of the study of the basic materials of life were pondering what would be their next task. At a symposium on scientific research in basic theory which was presided over by Comrade Nie Rongzhen, then chairman of the National Defense Scientific and Technological Commission of the PLA, in the Jingxi guesthouse in Beijing in April 1967, some people proposed that ribonucleic acid chemistry should be put on the agenda as the next assault task since the synthesizing of insulin had been achieved. This proposal was accepted by the participating scientists and was supported by Comrade Nie Rongzhen. After deliberations and investigations, the Chinese Academy of Sciences formally assigned tasks to the research units concerned. The "synthetic yeast alanine T-RNA" was one of the important subjects of our country's scientific research. Over the past 13 years, the personnel of the institutes, university and factory taking part in this research project have coordinated in unity, assiduously and intensively studied, and eventually completed the synthesizing of the whole molecule of yeast alanine T-RNA in November 1981, thus enabling China to enter a new stage in the study of the basic materials of life. This was another important contribution following the synthesizing of insulin. Speaking as one of the participants in these two important research projects, we are very proud of our successes.

Ribonucleic acid, protein, polysaccharide and others are important basic materials of life. For nearly 30 years, ribonucleic acid has been one of the important research subjects in the field of natural sciences. Ribonucleic acid is composed of organic macromolecules in specific series and has a complicated structure. The way to synthesize it is different from the way used earlier to synthesize insulin. Insulin was synthesized totally by the organic chemical method. Owing to its much greater molecular weight, we had some difficulties in synthesizing ribonucleic acid by the organic chemical method. Therefore, we adopted the method of combining chemical synthesis with enzyme synthesis, that is, we first used an organic chemical method to synthesize small sections of oligopeptide and then used RNA synthetase to link them up to form an entire molecule. The chemical synthesizing of enzymically synthesized ribonucleic acid was very difficult. Every step forward required strenuous efforts. The overwhelming majority of the comrades since their youth have been quietly doing hard and creative labor at their posts in a down-to-earth manner and are happily devoting precious years of their lives.

The synthesizing of ribonucleic acid demanded the close coordination of many branches of learning. For this reason, the successful synthesizing of T-RNA is the result of large-scale socialist coordination and the crystallization of collective labor and wisdom. The progress of the synthesizing of ribonucleic acid has also promoted the development of the branches of learning, such as biology and chemistry, which are related to the study specialty of ribonucleic acid. For instance, in the work of organic synthesis, a new technology was used and some laws of reaction were studied and summed up, thus enriching the contents of nucleic acid chemistry. We have also manufactured some medicines by utilizing nucleosides and nucleotides and striven to make contributions to the national economy and the people's livelihood while engaging in basic research. What is more important is that we have set up and developed a strong force which can shoulder the foundation, application and study of China's nucleic acid research.

As a task, the synthesizing of yeast alanine T-RNA has been completed. As for organic chemistry and the organic chemical personnel, they are even stronger as a result.

Zhuang Zi said: "A man's life is limited but knowledge knows no bounds." (Zhuang Zi: "Principles for Keeping in Good Health") Zhuang Zi realized the contradiction between limitations and boundlessness. However, he could not solve this contradiction. But 2,000 years later Engels pointed out the way to solve this contradiction: "On the one hand, the nature of man's thoughts will inevitably be regarded as absolute, and on the other hand, thoughts are realized by an individual who carries out the activity of thinking in a totally limited way. Only in the boundless process of advance and at least, as far as we are concerned, in the endless changes involving mankind, can this contradiction be solved." ("Selected Works of Marx and Engels," Vol 3, p 126)

Article by Wang Debao [3769 1795 1405]: "Work Together With One Heart and Boldly Scale the Heights"

The 13-year-long work of synthesizing yeast alanine T-RNA was successfully completed on 20 November last year. This was the result of the leadership of the CCP and the concerted efforts of all our comrades. As a group leader of a battle command group, I was naturally happy to see the complete success of this scientific research work. Concerning this work, I have a few words about my sketchy understanding:

1. Scientific research work requires a political situation of stability and unity and the guidance of a correct line. During the first 8 years, this

work progressed very slowly. This was the result of the lack of proficiency in terms of professional work on the one hand and, what is more important, the result of the obstructions and sabotage of the Lin Biao and Jiang Qing counterrevolutionary cliques on the other hand. Almost 6 years passed before an 8-section long nucleotide was synthesized. After the smashing of the "gang of four," and especially since the 3d Plenary Session of the 11th CCP Central Committee, we have emancipated our minds and sought truth from facts, thus resulting in the smooth progress of the work. The transmission of the spirit of the 6th Plenary Session of the 11th CCP Central Committee boosted the morale of all comrades. On 19 August, we formally entered the final "sprint." In September, we synthesized a 5'-terminal half-molecule (which was 35 nucleotides long), and on 20 November, we synthesized a whole molecule and determined its activity.

2. The battle groups laid stress from beginning to end on coordinating in unity, respecting, learning from and supporting one another. The members of the battle groups came from five units, 17 comrades in all. During the 3 and 1/2 years of battle, everyone worked with one heart and one mind and made a unified effort. As a group leader, I had all the more to be practical and realistic, fair and reasonable, cool-headed and sober, good at making judgments and being strict with myself, to set an example and share the joys and sorrows with the other comrades. At a time when the work was reaching its climax, whether it was a holiday or Sunday, day or night, I always fought alongside my comrades.

3. Stress was put on encouraging democracy on academic matters so as to draw on collective wisdom and absorb useful ideas. In the scientific research work, we paid attention to encouraging democracy on academic matters and, when discussing the plans, means and methods for the synthesizing, everyone was allowed to air his views and speak out freely. But once deliberations and studies had been carried out, a bold decision was made. Endless discussions were not encouraged so as to avoid bungling the opportunity of doing things in good time. For example, when we succeeded in synthesizing the synthetic 5'-terminal half-molecule and the natural 3'-terminal, and the natural 5'-terminal half-molecule and the synthetic 3'-terminal half-molecule, some people held that the time was not ripe to carry out the complete synthesis and that we should wait. We did some patient arguing and reasoning, and on the basis of a unified understanding, we made immediate plans for carrying out the complete synthesis, thus achieving the first success.

4. It was necessary to have the spirit of working with perseverance and persistence. Because the work was extremely difficult and strenuous and conditions were poor, coupled with the influence of "leftist" ideology which had run rampant for years, our progress was slow. This gave rise to battle fatigue among some of the personnel, who wished for an early discontinuation of the work. In 1977, at a meeting of the coordination group, we made a careful analysis and held full discussions with a definite objective in mind and pointed out that if we continued the battle, we would make achievements and win glory for the motherland, but if we abandoned it halfway, all the work we had done would have been for nothing. Through ideological and political work, people's morale was stabilized, confidence was strengthened and the smooth development of the research work was guaranteed.

5. Attention was paid to using foreign experiences as reference materials in striving to blaze new trails. In the course of the work, we found that RNA synthetase had been discovered abroad and we were enlightened therefrom, but we also found that there were some shortcomings in this work which lacked practical value. Through analyses and deliberations, we put forth the total plan for using chemical method or chemical plus enzymically synthetic method to synthesize small sections, then using RNA synthetase to link many small sections into six big sections, and then linking the big sections into two half-molecules and finally synthesizing a whole molecule. Practice since the establishment of the big section battle group in July 1978 proved that this plan was effective.

Article by Chen Shen [7115 1957]: "A Paen for Large-Scale Socialist Coordination"

The synthesizing of yeast alanine T-RNA was a 13-year journey full of hardships and difficulties as well as struggles. It was the embodiment of the spirit of collectivism in scientific research work and stands as a moving paen for large-scale socialist coordination.

The synthesizing of yeast alanine T-RNA is an important subject in the field of basic research. This work was characterized by comprehensiveness, extreme difficulty and considerable complexity, and therefore demanded the concerted efforts of many branches of learning. Many comrades of the Institute of Biophysics, with the overall interests in mind, abandoned their original jobs and joined the fighting collective.

"Win glory for the socialist motherland!" This is the common long-cherished wish of all personnel of our coordination group. It has been our motive force to work together with one heart and to scale the heights of science. The task of our institute was to supply sections and prepare tool enzymes and to fracture and link T-RNA molecules; 60 to 70 persons took part in this work in succession. Over 13 years, regardless of personnel changes, they proceeded from the overall interests, supported one another and did their bit to help synthesize yeast alanine T-RNA. Our institute manufactured 10 kinds of tool enzymes, such as N1-RNA enzyme made up of several hundred thousand units, and sent more than 10 persons to join in the work in Shanghai one after another. Some of our comrades, owing to the requirements of the research work, had to explore a different phase of the work shortly after they became familiar with one aspect of their work. For instance, after joining our group, some comrades successively took part in the work of various fields, such as microbiology, the synthesizing of sections and the preparation of multifarious tool enzymes. They underwent frequent changes in work. Nevertheless, they happily accepted and fulfilled their assigned work with all their might.

Full cooperation between different units is an important aspect of giving full play to the spirit of collectivism. In 1974, we prepared N1-RNA enzymes and sent them on our own initiative to various coordination units for further use. At that time, the Shanghai Institute of Biochemistry used them to synthesize a section of 7 phosphoric acid of 8 nucleotides-long. The enzymes we prepared played a proper role in the large-scale coordination. In 1978, when the coordination group was discussing work arrangements, T4-RNA synthetase became a barrier to the progress of the work. Failure to solve this problem in good time would affect the progress of the research work. Through discussions and studies, a decision was made to set up a battle group to tackle this key problem. In view of the conditions at that time, no matter which group singly undertook this task, it met with great difficulties. Knowing very well we would be beset with difficulties, our institute still undertook this battle task in order to solve the problem of synthetase as soon as possible. We sent specially assigned persons to turn over to the newly appointed unit without reserve the work of "determining the activity of T-RNA" which our institute had originally undertook, together with materials and data we had obtained. Recently, Comrade Lu Jiaxi, chairman of the Chinese Academy of Sciences, pointed out: "The full cooperation between different units, supporting one another in unity and learning from others' strong points to offset one's own weaknesses, was an important guarantee for this victory." In my opinion, his remark expressed the common understanding of the comrades taking part in this work.

Although we have synthesized T-RNA, we must, on the basis of summing up the experiences gained in this research work, continue to develop the spirit of large-scale socialist coordination and make new contributions to fulfilling the task of "tackling key problems in science and technology by pooling our efforts and strengthening our cooperation," a task set by Comrade Zhao Ziyang, and to realizing China's four modernizations.

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'STAGFLATION'--A NEW CHRONIC DISEASE IN THE IMPERIALIST ECONOMY

Beijing RED FLAG in Chinese No 4, 16 Feb 82 pp 45-48

[Article by Guan Mengjue [7070 1125 6030]]

[Text] The Imperialist Economy Is Sinking Into the Mire of "Stagflation"

The "stagflation" of the imperialist economy is a new phenomenon, which only appeared at the end of the 1960's and early 1970's. In particular, the economic crisis of the capitalist world in 1974-1975 greatly accelerated "stagflation." It had two particular symptoms: On the one hand, the growth of the economy became stagnant and production slowed down, as a result of which unemployment increased substantially. On the other hand, serious currency inflation dragged on for a prolonged period, which brought in its wake a continuous rise in commodity prices. These two maladies blended with each other. Sometimes they would erupt together and at other times subside and emerge alternately. A vicious cycle was thus created and the imperialist economy was struck by a new incurable disease.

"Stagflation" is neither a replacement of the capitalist economic cycle nor is it one of the stages of this cycle. Rather, it coexists with the cycle and permeates its various stages. Before World War II, in the crisis stage and the depression stage of the economic cycle, the decline in production was usually accompanied by currency inflation and a fall in commodity prices. But, commencing with the crisis in the years 1957-1958, and particularly in the late 1960's and early 1970's, even in the crisis stage, what was jointly associated with the decline in production was a rise in commodity prices of the nature of a currency inflation. At the present juncture, "stagflation" has become a deep-rooted and a new special feature of the imperialist economy.

Below we cite some simple reference materials on how the imperialist economy is trapped in the quagmire of "stagflation."

1. Economic Stagnation

According to statistics compiled by the United Nations, the average growth rate of the value of the gross national product, computed on the basis of 1977 prices, of the developed capitalist countries (including the United States, Canada, West European countries, Japan, Australia and New Zealand) was as follows: 1961-1973, 5 percent; 1974-1979, a drop to 2.7 percent and in 1980 a further drop to 1.5 percent. In 1980, an economic crisis of overproduction developed in the United States, Britain and Canada. In comparison with the preceding year, the value of their gross national product, after eliminating the factors owing to currency inflation, showed the following changes: in the United States, a drop of 0.2 percent; in Canada, an increase of 0.1 percent; in Britain, a drop of 1.8 percent; and in West Germany and France, increases respectively of 1.8 percent and 1.3 percent.

2. Increased Unemployment and a High Unemployment Rate Prevailing at Every Stage of the Cycle

Before World War II and immediately afterward, the general situation in the imperialist countries was as follows: at the crisis stage of the economic cycle, a sharp increase in unemployment and a rise in the unemployment rate; while at the upsurge stage, the number of unemployed people fell and the unemployment rate went down. After the crisis in 1974-1975, the situation changed abruptly: huge unemployed ranks and a persistently high unemployment rate were found in every stage of the economic cycle. For example, in the United States, in 1974, the number of unemployed was 5.076 million and the unemployment rate was 5.6 percent; in 1975, at the lowest point of the crisis, the number of unemployed was 7.83 million and the unemployment rate was 8.5 percent. After the crisis, the unemployment rate, though falling, still remained at a high level: in 1976, the number of unemployed people was 7.288 million and the unemployment rate was 7.7 percent; in 1979, the number of unemployed people was 5.963 million but the unemployment rate was 5.8 percent, which was still higher than in 1974. In 1980, a new crisis developed in the United States. The number of unemployed increased to 7.448 million and the unemployment rate rose to 7.1 percent. In December 1981, the unemployment rate rose further to 8.8 percent and the number of unemployed went up to 9.6 million. In the nations of the European Economic Community, the unemployment rate in the first half of the 1960's was 1.5 percent on average, but there was a general rise after the 1970's. In 1979, it reached 5.6 percent and the number of unemployed was 9.4 million.

3. Intensification of Currency Inflation and a Rapid Rise in Commodity Prices

In the 1970's, currency inflation in the developed capitalist countries was much more intense than in the 1960's. Because these countries had to resort to issuing currency far in excess of normal circulation needs in an effort to make up for their fiscal deficits, coupled with other factors such as the continuous expansion of credits for both public and private use, an increasingly serious currency inflation emerged. Meanwhile, the combination of currency inflation with other factors brought about a general and rapid rise in commodity prices. From 1961 to 1970, in the developed capitalist countries, the prices of consumer goods averaged an annual increase of 3.5 percent, while from 1971 to 1978 the average annual increase was 8 percent and in 1979 the increase was 9 percent. In 1980, in the nine European Economic Community nations, the average rise in the prices of consumer goods was 13.9 percent and in the United States the rise was 12.6 percent.

The Real Nature and Causes of "Stagflation"

Everybody knows that the basic contradiction in capitalism is the contradiction between the continuous development of the socialization of production and the form of ownership under capitalism. The concrete manifestation of this contradiction is seen in many aspects. Of them, an important one is the contradiction between the continuous expansion of production and the relative decrease in consumer demand backed by the ability to pay on the part of the masses; in other words, the contradiction between a production surplus and a narrowing market. In the past, when state monopoly capitalism had not yet reached its dominant and ruling position, this contradiction was forcefully and temporarily removed as the result of a relative state of equilibrium being reached between production and effective demand. This was brought about by means of cyclical economic crises of surplus production, which greatly damaged the productive forces and the products of labor. After World War II, for a prolonged period of time the developed capitalist countries adopted the anticrisis policies of Keynesianism, particularly the inflation policy in finance and currency, and stepped up state intervention in the economy. As a result, on the one hand, this meant that each crisis was consequently unable to fully develop and this made it difficult to reach a temporary solution of the contradiction between an excessive surplus in production coupled with a corresponding narrowing of the market. In turn, this caused a continuous accumulation and aggravation of the contradiction. On the other hand, the development of currency inflation was further promoted. From this it can be seen that "stagflation" represents a new and special manifestation of capitalism's basic contradiction in the field of economics. It is also a concentrated manifestation of the decaying nature of capitalism.

From the real nature of "stagflation," we can clearly see the following: The basic cause for its emergence is the development changes in the basic contradiction of capitalism. The secondary cause for its continuous development is the adoption of the policy of Keynesianism in an effort to pacify the basic contradiction. This is not to say that the policy is not an important one. In reality, it has played an important role in promoting "stagflation." However, in the final analysis, the policy of Keynesianism was forced into being by the basic contradiction of capitalism. So long as the basic contradiction of capitalism continues to exist and to move forward, the problem of "stagflation" cannot be solved, no matter whether the economic policy adopted is one based on the theories of the currency school or on the theories of the supply-side school.

If it is claimed that the basic contradiction of capitalism is the original cause of "stagflation," it may then be asked why, since the basic contradiction of capitalism has been in existence for a long time, didn't "stagflation" appear until the end of the 1960's and the early 1970's? This is because before the end of the 1960's, a host of postwar circumstances, particularly the fact that the third scientific and technological revolution was in progress and the renewal of fixed assets was coming to a head, helped to foster the comparatively rapid growth of the capitalist economy. The basic contradiction of capitalism, including the contradiction between expanding production and the relative narrowing of the market, was kept in check by the anticrisis measures taken. Moreover, owing to the operation of various factors both inside a country and abroad, "stagflation" was prevented from making a widespread development. By the end of the 1960's and after the early 1970's, particularly following the economic crisis in 1974-1975, the basic contradiction eventually got out of control and "stagflation" appeared in full force. Below we will discuss the two aspects of this problem.

One aspect of the problem was that after the war the policy of the capitalist countries of depending on state monopoly capitalism to keep in check the basic contradiction and to stimulate the growth of the economy actually had the opposite effect. Because of the relative narrowness of the market and the surplus production power of the countries, the various policies and measures adopted by the countries to protect their expanded investments began to produce diminishing effects. During the period from 1974 to 1979, in the United States, West Germany, France and Italy, the utilization of production capacity was below 90 percent, sometimes as low as 70 percent. Under the conditions of a surplus production capacity, whatever measures were adopted by the governments to encourage investment could not keep investments in fixed assets from falling into a state of stagnation. As a result, labor productivity declined and economic growth slumped. At the same time, the financial and credit measures adopted by the state to expand the market not only had diminishing effects but also brought about serious deficit economies. For example, in 1978, the per capita debt burden of the American people was 24.9 percent of the individual income. In other words, a fourth of their purchasing power had been expended in advance. By October 1981, the national debt of the United States had already passed the $1 trillion mark. In addition, the mortgages on the American people's houses amounted to $1.1 trillion and consumer loans taken out to be repaid in installments (not including mortgages on houses) amounted to $309 billion, while loans owed to commercial banks by consumers and industrial circles amounted to $174 billion. The above three items totaled $1.585 trillion. This, plus the amount of the national debt, added up to a grand total in excess of $2.583 trillion. Such a massive amount of public and private indebtedness not only intensified currency inflation but also seriously curtailed the purchasing power of the American people and reduced their demands backed by the ability to pay. While the enormous amount of military expenditures could for a time create a market, with the passage of time their stimulatory effect will be gradually weakened and will begin to produce adverse effects and become negative factors impeding economic growth and reducing civil production. Moreover, the people's burden will be increased, while the market for products for civil use will be reduced.

The other aspect of the problem is that since the last stage of the 1960's, the developed capitalist countries have been steadily carrying out the Keynesian policy of deficit financing and credit expansion. As a result, the supply of currency and bank credits has rapidly increased and currency inflation has been intensified. All this constitutes the main cause for the rise in commodity prices.

Some capitalist economists are inclined to ascribe the cause of "stagflation" to the rise in salaries. They advocate the so-called "wage propulsion theory." For example, some people wrote: "The arresting of the downward trend of wages and commodity prices and the enforced rise of wages and commodity prices brought about by trade unions and other powerful circles with the instigation and help of governments are the basic causes of 'stagflation.'" ((Habailei): "Modern Economic Problems," p 316) They closed their eyes to the fact that in the course of serious currency inflation, the rise of commodity prices occurs first and is then followed by a nominal rise in wages and that actually in recent years real wages have been on the downturn. And they ascribe the basic cause of "stagflation" to the rise in wages! Is this not a naked absurdity of speaking on behalf of the monopoly capitalist class and an attack on the working class?

Effect of "Stagflation" on the Economic Cycle

As mentioned above, "stagflation" does not denote the phenomenon of a certain stage of the economic cycle; it permeates the various stages of the cycle and brings about an enormous change in its whole pattern. In the crisis stage, production declines, unemployment increases and these two things combine with currency inflation. In turn, currency inflation brings about a rise in commodity prices, weakens the purchasing power of the masses, impedes economic recovery and makes it difficult for the economy to extricate itself from the crisis. This condition is called by Western economists "inflation-recession," that is to say, economic recession accompanied by currency inflation. At the depression and recovery stages of the cycle, the feeble recuperative power is accompanied by currency inflation and the slackening of fixed capital investments. The recovery of the economy is slow and unsure and there still remains a large number of unemployed people and a high unemployment rate. This the Western economists call "growth-recession," that is, the persistence of recession factors in the course of economic growth. This might be described as growth in a sickly state and growth which is entangled with currency inflation. In the upsurge stage of the cycle, feeble economic growth is combined with currency inflation of a more violent character which renders the upsurge stage short and untenable. The Western economists call this "depressed inflation," that is, the persistence of recession factors in the upsurge stage, or, a feeble upsurge under the high pressure of currency inflation. The reasons for these changes in the various stages of the economic cycle are as follows: 1) Currency inflation permeates the various stages of the cycle ranging from the crisis stage to the upsurge stage. This serves as an important factor which prolongs the crisis and hinders the recovery and upsurge stages. 2) Permeation of stagflation in the course of the cyclical movements owing to such factors as the feeble state of fixed capital investments, a relatively narrow market, and a large number of unemployed people.

Pincered by Stagnation and Inflation, the Western Economy Will Find It Hard To Escape From Its Difficult Situation

At present, the governments of the developed capitalist countries are doing their utmost to find a way out of the difficult situation of "stagflation."

After taking over the reins of the government in May 1979, Mrs Thatcher of Britain was the first to adopt the economic strategem of monetarism. Emphasis was put on restricting the issue of currency and on reducing government expenditures in order to keep currency inflation under control. Since its assumption of power, the Reagan administration of the United States has carried out an economy policy based on the theories of the supply-side school and the currency school but with the theories of the former taking the lead. These are as follows: reduced taxation for corporations and rich people in order to encourage investments and to increase production; control of the volume of currency issued and increases in interest rates to check currency inflation; reduction of government expenditures, principally social welfare expenditures; huge increases in the lone item of national defense expenditures; and cutting down of government's intervention in the economy and abolishment of certain rules and regulations so as to give private enterprises more freedom of action. The Mitterrand government of France adopted three new measures in the realm of economics: First, the former government considered checking currency inflation as the focal point of work but the focal point now is to tackle the unemployment problem. Second, the former government's policy of economic retrenchment has now been replaced by one of economic expansion. Third, the government is greatly promoting the nationalization of enterprises and strengthening government's intervention in economic life. In addition, certain Western European countries and Japan still insist on direct government intervention in economic affairs, such as the continued use of financial and currency tactics to regulate social demands and the economic activities of enterprises, the stepping up of planning work on various fronts, and so on.

Is it possible for the developed capitalist countries to use these policies and measures to cure the chronic disease of "stagflation"? We do not discount such a possibility. The government of a certain country, as the result of adopting a certain policy, might be able to ease or even reduce currency inflation for a given period and might succeed in shifting the situation of economic stagnation to another period. However, it is extremely difficult to solve the two problems of stagnation and inflation at the same time. This is because, under the present conditions of the imperialist economy, stagnation and inflation check and restrain each other. In order to cure economic stagnation, it is necessary to adopt an inflation policy, including expanding government expenditures, issuing more currency, lowering the interest rate, expanding both private and public credits and loans, artificially enlarging the market, and so on. All this means that currency inflation will be intensified. On the other hand, in order to cure currency inflation, it is necessary to adopt a retrenchment policy, including reducing government expenditure, reducing the volume of currency issued, raising the interest rate, restricting credits and loans, and so on. In this way, the money market will be tightened, investments will slacken and the market will shrink. All this, in turn, will intensify the economic stagnation and might even bring about an economic crisis. Precisely because of this, the governments of certain capitalist countries have alternated between opposing currency inflation and opposing economic stagnation. They appear to be undecided whether to fight firmly against economic stagnation or to get rid of currency inflation. They waver from one side to the other and are in a dilemma. Indeed, in recent years, the economies of the developed capitalist countries have been entangled in a difficult situation with "stagnation" and "inflation" being interwoven together, erupting at the same time, and rising and falling after one another.

The basis of "stagflation" is economic stagnation. At present, certain developed capitalist countries such as the United States, Britain and others are taking currency inflation as their "archenemy." Finding themselves in a helpless situation, some people have advocated the use of economic recession to combat currency inflation, the so-called "fighting poison with poison." For example, the famous Austrian economist (Hayeke) believed that the only way to eliminate currency inflation was to make the economy go through a serious recession, or endure a not too extended period of economic depression. Suggestions of this kind show that, caught in the pincer movement of economic stagnation and currency inflation, the capitalist class really cannot find a way out. Assuming that recession really can eliminate currency inflation, then, conversely, this means that currency inflation can be used to overcome recession. Is this not like using your own spear to fight against your shield? Besides, the economic crises that occurred at the end of the 1960's and the beginning of the 1970's were different in character from those before World War II and those after the war. This is because this time, even in the crisis stage, commodity prices continued to rise and currency inflation was still rampant. This may be ascribed to the working of the so-called anticyclical movement of commodity prices. This being the case, how can we believe that resorting to economic recession can eliminate currency inflation?

Lenin said: Monopoly necessarily brings about the trend to stagnation and decay. "Stagflation" is the intensified version of the trend to stagnation and decay brought about by the superclass "monopoly" of state monopoly capitalism. Since state monopoly capitalism cannot cure the trend to stagnation and decay, which it promotes itself, naturally it cannot extricate itself from the difficult state of "stagflation."

CSO: 4004/25

ON 'DREDGING' AND 'BLOCKING'

Beijing RED FLAG in Chinese No 4, 16 Feb 82 inside back cover

[Article by Wang Shumin [3769 6615 3046]]

[Text] It should be affirmed that the principle of dredging must be carried out in ideological and political work. We must not, however, think that "dredging" and "blocking" should complement each other. We should take "dredging" as the main factor and make "blocking" subsidiary. In this way we can achieve the desired results.

The allusion to dredging comes from the story "Da Yu Harnesses the River." Learning a lesson from his father, who only "blocked" and had not "dredged," Da Yu led the people in dredging the river and making the river water flow into the sea. In the end the river was harnessed. Da Yu was loved and esteemed by the people. This story tells us that it is wrong just to "block" and not to "dredge" and also that it is not the best policy just to "dredge" and not to "block." We cannot really block if we only "block" and do not "dredge," and we cannot dredge well if we only "dredge" and do not "block." "Dredging" and "blocking" do not absolutely exclude each other. Dredging must include the necessary "blocking." This is the correct way to draw inspiration from the experience of Da Yu in harnessing the river.

The above method of harnessing a river can be used for reference in our current political life. At present, our country is at an historical juncture. People are lively in their thinking, and all kinds of erroneous ideas might manifest themselves. When some erroneous words and deeds are harmful to the interests of the party and people, we should adopt the principle of dredging, persist in persuasion, teach with skill and patience, and reason with words and action. We must not adopt a high-handed policy. When some people say or do something wrong, we must not capitalize on their mistakes or shortcomings, put labels on them, beat them or put their records on file. But by dredging, we do not mean that we should let erroneous things spread unchecked or that we should not adopt the practical method of "blocking." To those who have said or done something wrong, we must not only patiently carry out criticism and education, but also adopt necessary measures to prevent their mistakes from recurring and developing. We should deal with those who have violated party discipline, the law, or the correct rules and regulations in accordance with their different cases. This includes the idea of "blocking," which enables us to "dredge" better. The meaning of the saying "it will not flow if it is not blocked and it will not go if it is not stopped" is included in this truth.

Some comrades say that with regard to the enemy we can "block," but with regard to the people we must "dredge." What they say sounds rather reasonable, but if we think it over carefully, it is not so accurate. Of course, with regard to the erroneous words and deeds among the people, we must dredge, but this does not in the least mean that we should not "block." For instance, toward those who are opposed to the four basic principles, besides carrying out criticism and education and the necessary ideological struggle, we must adopt relevant measures. This is a kind of "blocking." Generally speaking, telling people what they should do is "dredging"; and telling people what not to do is "blocking." These two methods are often used among the people.

Is it right to say that we must only "block" the enemy and not "dredge"? No. When we put counterrevolutionaries and all kinds of criminals under arrest, we only allow them to be well-behaved and law-abiding. This is of course "blocking." But these persons have to be reformed so that they can become new persons. This excludes some who are guilty of the most heinous crimes, who must be given the death penalty. In this respect, we must do a great deal of educational work, make them understand our policies and point out the way. This is in the sphere of "dredging." Obviously, it is not accurate to understand one of the methods of "dredging" or "blocking" to be for handling the contradictions among the people and the other for handling the contradictions between the enemy and ourselves.

In the past, some comrades had a one-sided understanding of "dredging" and "blocking." Therefore, one-sidedness also appeared in the carrying out of policies. For instance, some units lost a great deal of public property. The principle of "dredging" was introduced, but to no avail. In some rural areas, some individuals gathered together and gambled secretly. The commune and brigade leaders had educated them many times, but in vain. As a result, there was "you 'dredge' yours, I'll gamble mine" and there was no prohibition. This tells us that we must correctly understand the principle of "dredging." We must not go from one extreme to another. We must bear this lesson in mind, conscientiously study Marxism-Leninism-Mao Zedong Thought, learn how to use materialist dialectics in observing and handling problems, correctly understand and implement the party's principles and policies, and do our work in a down-to-earth manner.

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CONTENTS

Unify Thinking, Conscientiously Rectify Party Work Style (pp 2-13, 16)
(Wang Renzhong) 1

Attach Great Importance To Raising Labor Productivity (pp 14-16)
(Editorial Department) 22

It Is a Great Strategic Task To Strengthen the Education of Staff and Workers in Realizing the Four Modernizations (pp 17-20, 48)
(Yuan Baohua) 26

It Is Imperative To Uphold the Basic Principles of Marx' Theory of Reproduction--Part One (pp 21-25)
(Deng Liqun) 34

How To Help Cadres Study the Theory of Reproduction (pp 26-28)
(Wang Jue, Zang Zhifeng) 43

Question: What Is Multichannel Commodity Circulation and Why Must We Practice It, and Why Is State Monopoly of Grain Purchase and Marketing a Long-Term Policy? (pp 29-31) 48

Industrial Enterprises Should Be Rectified in a Comprehensive Manner (pp 32-36)
(Contributing commentator) 54

Correctly Handle the Question of Marriage and Family (pp 37-39)
(Wang Chunyuan, Chen Zheguang) 63

A Democratic Work Spirit Should Be Encouraged--Notes on Reading Volume One of 'Selected Works of Liu Shaoqi' (pp 40-43)
(Yao Liwen, et al.) 68

Literary and Art Criticism Is the Science Which Makes Literature and Art Flourish (pp 44-48)
(Qu Xing) 75

Lenin Attached Importance To Reforming State Organs (inside back cover)
(Wen Zehuan) 83

UNIFY THINKING, CONSCIENTIOUSLY RECTIFY PARTY WORK STYLE

Beijing RED FLAG in Chinese No 5, 1 Mar 82 pp 2-13, 16

[Speech by Wang Renzhong on 11 February 1982 at a meeting of responsible cadres of departments directly under the Hubei provincial authorities]

[Text] Talking about the importance of the question concerning party work style, Comrade Chen Yun once said: "The question concerning the work style of a ruling party is a question concerning the life and death of this party." That is to say, the question of party work style concerns whether our party will degenerate and whether our country will change its political color. Comrade Mao Zedong made the mistake of launching the "Great Cultural Revolution" because he wrongly appraised the situation and thought that our party would soon degenerate and our country change its political color. His appraisal was incompatible with the actual conditions. His wrong appraisal of the situation led to the adoption of wrong policies and resulted in the decade-long internal strife. This was an impressive lesson. However, speaking in terms of possibility, there is the danger that the party may degenerate and the country change its political color. As long as imperialism and social imperialism exist and before we have achieved communism, we cannot say that the danger of the party degenerating and the country changing its political color does not exist. If we say that our party and country are not in such a danger, we are in danger of slackening our vigilance. The correct attitude is to be aware of this danger and adopt a correct method to overcome this danger. Only by doing so can we ensure that our party will not degenerate and our country will not change its political color. We have confidence in our ability to do so.

The First Question Is What Attitude We Should Take Toward Our Party Work Style

Our party work style has been appraised in two incorrect ways. One incorrect appraisal is made by a few people who hold that our party has degenerated, is hopeless and must be toppled and it is necessary to change the regime. They say that a two-party system should be adopted as in the United States and the two parties take the reins of government by turns, with one holding office and the other being out of office. This view is held by the remnant forces of the "gang of four," including Jiang Qing and Zhang Chunqiao who are in prison. Echoing them in society are the heads of some illegal organizations and publications. Their words and deeds are counterrevolutionary. We must expose and crack down on their words and deeds. There are other muddleheaded people, especially some youngsters, who believe these words and lose their confidence in the party. We should not label them as counterrevolutionaries but should warn them and educate them through criticism. We should tell them to neither be taken in by the enemy nor to echo the enemy's counterrevolutionary words. There were still quite a number of such muddleheaded people in the first half of last year. The conditions now have been greatly improved. But, we cannot say that there are no such people at present. We are still required to work on them.

The other incorrect appraisal is made by another small group of people who hold that there is nothing wrong with our party work style. In their opinion, people are trying to scare others when they say that our party work style is unhealthy; people are exaggerating when they say that the matter concerns the life and death of the party. Some comrades even hold that the practices of establishing underhand connections for the sake of personal gain, securing advantages through pull or influence, putting up houses for private use, transferring rural residences to cities and seeking privileges in daily life are trifles. They do not know that these trifles have caused the dissatisfaction of the masses with our party, harmed the image of our party and impaired the prestige of our party. Moreover, these trifles are not few but exist rather extensively. For example, the practice of putting up houses for private use is widely prevalent. Some cadres put up houses for private use by adopting various undesirable means, such as encroaching on vegetable plots, embezzling public funds or using manpower of the collective or the urban building construction teams. In some cases, very obnoxious practices have been involved. Some cadres have seized houses, and not just one but two or three in some instances. Some houses were intended to be built for workers but eventually became the leading cadres' quarters. The masses were certainly critical about this. The question of "changing agricultural population into nonagricultural population" also exists in many localities. Some people took not only their wives and children but also their relatives and friends to the cities to consume commodity grain and unlawfully arranged jobs for them. Why was it that urban population continued to grow? Many rural residents came to the cities through underhand means. The masses also were very critical about this. This shows that such phenomena are not minor problems in daily life but have posed a serious political problem. Quantitative change will lead to qualitative change when it develops to a certain extent. This is a basic principle of the Marxist dialectics.

What especially attracts our close attention is that in our party and army, in the state organs and in our enterprises and institutions, there are bad elements engaged in smuggling, bribery, profiteering, graft and embezzlement. Up to the present, we have not discovered any province free from these conditions. Of course, conditions vary in different localities and may be serious in one locality and not so serious in another. Smuggling is rampant to an appalling extent in some localities. These economic crimes were often committed by the higher levels working in collaboration with the lower levels, by people at home working in collaboration with those abroad, by people in the interior working in collaboration with those in Hong Kong and Taiwan and by capitalists at home working in collaboration with foreign capitalists. This is not only an economic problem but also a very serious political problem and reflects the class struggle at present. Some of those committing these crimes were recruited by special agents; they gave them information and joined their secret service. Our comrades must understand that as long as imperialism and social imperialism exist and before Taiwan has returned to the embrace of the motherland, they will always carry out espionage against us. Of course, we should not think that all foreigners, compatriots from Hong Kong and Taiwan and Overseas Chinese who visit our country are up to no good. But it is naive to say that none of these visitors is a special agent. Therefore, we must teach our comrades not to be taken in by them but to heighten their vigilance against them. Take for example the foreign capitalists who do business with us. Like any capitalists, they are intent on nothing but profit. Is there any capitalist in the world (except a few progressive ones) who does not want to make profit? That is the nature of a capitalist. Our open-door policy will not change. Neither shall we change our policy of making contacts and cultivating friendship with the peoples and governments of all foreign countries. However, our comrades must never forget that: First, in doing business with foreigners, we should do our best to avoid being taken in and at least to avoid suffering great losses. Second, we must pay particular attention to resisting the corrosive influence of the bourgeois ideology and way of life and always be vigilant against the bourgeoisie's attack with "sugar-coated bullets." We must see that we are now facing a struggle between corrosion and anticorrosion. With the increase in international communication, this struggle is becoming more and more complicated. For example, a capitalist may give you television sets and tape recorders. Does he give you these things for nothing? Is he so generous? A certain comrade borrowed money from a capitalist when he was abroad. Actually he was asking for money rather than borrowing money from others and when you sign contracts with them, you will have to agree to any terms set by them. By doing so, you have made a small profit, but the state suffers a great loss. Does such a man have an iota of patriotism, not to mention party spirit? Some other people have collaborated with foreign merchants in speculation and profiteering by recklessly smuggling gold, silver, cultural relics and rare herbal medicine. They deliberately broke the law. Their crimes cannot be pardoned.

The biggest criminals ever discovered in Guangdong are the director of the Guangzhou Telecommunication Bureau and his wife. Is he the person of the highest rank involved in similar cases? No one can guarantee that there are no other persons of still higher rank involved. The CCP Central Committee has now decided to make a thoroughgoing investigation. The higher the rank of a cadre handling the cases of graft and embezzlement, profiteering, smuggling and other economic crimes is, the more strictly he should handle these cases. Why? The first reason is that he has been long educated by the party and tempered in the revolution and therefore should have strong party spirit; he is experienced in handling such cases and is not young and naive so that he should handle the cases strictly. The second reason is that strict handling of cases involving a few leading cadres who seriously violated the law and discipline may create public opinion inside the party and in society that bureaucrats of the CCP should not shield each other and leading cadres should be severely punished for violating the law. This means love for our veteran cadres and defends their honor. The final results of the investigation will show that only a very small number of our veteran cadres have seriously violated the law and discipline. This will tell the masses that only a very small number of our veteran cadres have degenerated. This will preserve the prestige of our veteran cadres and our party. Otherwise, a small piece of rotten meat will spoil the whole pot of food. Facts have proved that the broad masses of our veteran cadres are good and maintain the fine traditions of the party and that only a very small number of them have degenerated. Some comrades have been tainted with bad habits and have made mistakes under new conditions. They are different from those who have degenerated. We believe that they will definitely change for the better after receiving education.

We must correctly appraise the question concerning party work style. On the one hand, we should see that our party work style has not fundamentally changed for the better; on the other, we should see that our party work style has undergone a considerably great change for the better in the past few years.

What are the chief indications which show that our party work style has changed for the better? First of all, we have a good party Central Committee. Our current Central Committee has really revived and carried forward our party's fine traditions and the work style of integrating theory with reality, maintaining close ties with the masses and making criticism and self-criticism. It realistically acts according to the principle of democratic centralism and no longer follows the practice of letting one person alone or a few people have the say. With the exception of some questions in daily work which the Central Secretariat is authorized by the Central Politburo to decide on and handle, the decisions made by the Central Secretariat on questions concerning major principles and policies must be approved by the Politburo or the Standing Committee of the Politburo prior to circulation as central instructions. The meetings of the Central Secretariat are usually presided over by Comrade Hu Yaobang. Comrade Zhao Ziyang also takes part in the discussion of important questions concerning government work and economic work. Naturally we respect the opinions of both Comrades Hu Yaobang and Zhao Ziyang. However, a decision is never made by an individual but is made only after group discussion. During these discussions, each comrade may give his own opinion and even those comrades who attend meetings of the Central Secretariat as observers may express their opinions. Should there be different opinions, the Secretariat adopts a cautious attitude and usually postpones the making of decisions. Whether during the meetings or personal talks, the comrades of the Secretariat including our secretary general, always seriously make criticisms and self-criticisms. The situation is the same in the Central Politburo. Once in a discussion of a very important question, a few comrades put forth different opinions which were later proved wrong in actual practice. However, none of these comrades was ordered to make self-criticism or held responsible for the mistake. In fact, all these comrades who gave different opinions are good comrades and they are concerned with the interests of our country without any selfish ideas and personal considerations. There will be no problem at all when they realize that their ideas are wrong and resolutely implement the party's decisions. Our current Central Committee really is developing democracy and is indeed exercising collective leadership according to the principles of democratic centralism.

Now the central authorities are taking the lead in streamlining organization, training cadres in rotation, raising efficiency and overcoming bureaucratism. This is a revolution in the state system which is of profound significance. Yet, instead of merely requiring organizations at lower levels to carry out this revolution, the central authorities are the first to do so by setting an example for the lower levels and undergoing experiences to be passed on to the lower levels.

Regarding the actions of senior cadres in their daily life, not one leading comrade in the central authorities has been found to have violated the relevant stipulations of the central authorities since they were made. In the past, each member at or above the level of the Politburo of the party Central Committee, vice premier and vice chairman of the NPC Standing Committee had two cars. It was then decided that each of them should have only one car, and this stipulation is now being observed. In the past, leading comrades in the central authorities had the privilege of having a film shown at their own place. This privilege has been given up in accordance with the criticisms of the masses. Now when we want to see a film we have to buy a ticket and see the film together with other comrades. All gifts received by leading comrades in the central authorities during their visits to other countries must be handed over to the state, except for souvenir badges. Now Zhongnanhai is open to the public on Saturdays and Sundays, and cadres and masses can buy tickets to visit it. The Great Hall of the People is also opened to the public, cadres and masses can buy tickets to visit it, and mass organizations and various associations can hold their meetings there. All this could not have happened in the past. Before the "Great Cultural Revolution," conferences were usually held every summer at Lushan or Beidaihe, so that central leaders could enjoy themselves at these summer resorts while attending conferences. This practice has also been changed. Not one leading comrade in the central authorities who is in good health takes off for a vacation, except those who are old or sick and are allowed by the central authorities to leave their posts for convalescence. Even on Sunday, they often do not rest but continue to work. This is the real life of the party Central Committee. However, some people are still attacking the party Central Committee, saying that they enjoy privileges. They have even said that the Central Committee has degenerated and deteriorated. What else can this be if it is not rumormongering?

What was mentioned above shows that our party Central Committee is good. It is not as bad as some people have said. We are reasonable to say that the work style of the present party Central Committee is even better than that before the "Great Cultural Revolution." The fine traditions during the Yanan period and the period of the liberation war as well as the fine traditions during the period immediately after the founding of the state have been carried on in the present party Central Committee. Of course, what is the most important is that a correct and Marxist ideological, political and organizational line which suits China's conditions has been mapped out since the 3d, 4th, 5th and 6th plenary sessions of the 11th CCP Central Committee. The "resolution" adopted by the sixth plenary session, in particular, summed up historical experiences of our party since the founding of the state and is playing an important role in bringing order out of chaos, in unifying the ideology of the whole party, in strengthening the unity of the whole party and in promoting our work. It is of great historical significance. Our practice over the past several years shows that the line, policies and principles formulated by the CCP Central Committee are correct. As to some mistakes and shortcomings in our concrete work, they are unavoidable at present and will also be unavoidable in the future; they were unavoidable when Comrade Mao Zedong was alive, and would also be unavoidable even if Marx were chairman of our party.

Soon after the sixth plenary session, a forum on work on the ideological front was held. It advocated carrying out criticism and self-criticism, strengthening party discipline and overcoming laxity and weakness. It not only criticized the trend of bourgeois liberalization but also required that CCP committees at all levels fight against various unhealthy tendencies on various fronts. Recently after making some investigations at the lower levels, I felt that this forum has really played a great role. Before I made the investigations I did not expect that the forum on the ideological front work had played such a great role and felt that many ideological problems were still not solved. But now I have realized that the role this forum has played is greater than I had expected. As everyone can see, over the past half year or so, we have made encouraging progress in our press, broadcast, television, film and other work. Recently I had a talk with some comrades from the literary and art circles. I found that they all have new plans and have made up their minds to go deep into the thick of life and create better literary works.

In Guangxi, Hunan and Hubei, when I called some advanced people together and had a talk with them, I found that within our party, there are still large numbers of good comrades who have high class consciousness, are honest and upright and dare to struggle against unhealthy tendencies and evil practices. In Hubei some veteran model workers of the 1950's whom I talked with are still keeping to their lofty fine qualities in ideology and in work style. Some of the advanced people are young people. For example, in Guangxi, there is a female comrade called Zeng Xiaolian. She is a league branch secretary and has a high consciousness and a good style of work. She has done very well in helping some backward or erring youths. Her mother is a neighborhood committee director, who has been serving the masses of people wholeheartedly for 30 years or so. There is no stealing in their residential district. You can just leave your bicycle in front of a gate, for thieves dare not steal things in this district. Both the mother and the daughter are advanced individuals. As soon as I learned this, I made a telephone call to Beijing, inviting two writers to come to Guangxi to write about the advanced people and their good deeds. The large number of good cadres and advanced people always act in accordance with the party Central Committee's requirements, and their hearts and the hearts of the people always beat as one. It is not as some people have said that, just as all crows are black, everyone is involved in the unhealthy practices. Definitely not! Although such advanced people are few, their exemplary role is very important. They represent the healthy trends of our party and our nation!

In Hubei, were not some female comrades labeled as the so-called "five black flowers" during the "Great Cultural Revolution"? I only wrote a short article in the past to praise "a red flower," that is, Comrade Xia Juhua. However, some people in the "rebellion faction" created the "five black flowers." They included not only Xia Juhua, but also Liu Feng, Chen Kuang, Jiang Guiying and Wang Yuzhen. This time I had a talk with some of them and some other outstanding young actors and actresses who have scored achievements in their artistic work. They are all loyal to the party and are ready to make more contributions to the party and the people before they become old. This is highly commendable. However, they feel there is insufficient scope to exercise their abilities and nobody will listen to them. Although Liu Feng is a girl of strong character, she cried bitterly this time when she spoke. I said, at the time when the party Central Committee is combating the unhealthy tendencies, you have answered the party's call enthusiastically and boldly struggled against the unhealthy tendencies. Thus you have played the role of a mainstay at the mid-levels. Thus, our party is full of promise. I also talked with some comrades from the press circles. After one of the editors of GUANGMING RIBAO finished her impassioned speech, I said, you must insist on fighting; what on earth are you afraid of? She said she was not afraid of anything but what she said would be of no use. What conclusion can we draw from this? It shows that we have many good comrades who wish to do more work for the party, but they have not been discovered or are being oppressed. These good comrades and advanced people, as Lu Xun said, are the backbones of the Chinese nation on whom we place our hopes. What action, then, should our party take to deal with those who oppress the newly emerging forces and who mock at or attack the advanced? I think our comrades will certainly know what to do.

The Second Question Is How To Rectify Party Work Style

First, it is necessary to greatly strengthen communist ideological education, to widely publicize good people and good deeds and to greatly support the advanced people and newly emerging things; it is necessary to clear the way for their advance and to get rid of all difficulties and obstacles in their work. We would like to tell all those who do not support newly emerging things or who have placed obstacles in their way of advance: We shall not punish you, but would you please leave your posts or be transferred to some other posts? If you are old, you should retire or leave your posts for convalescence.

I spent 2 and 1/2 days listening to the report given by Xiangfan municipality. This city has done quite a good job. In the past, Xiangfan was a very backward city. In the early years after liberation it had a little handicraft industry but was without other industry. Its total industrial output value amounted to only 50 million yuan. This increased to 100 million in the early years of the "Great Cultural Revolution." After the "gang of four" was smashed, its output value rose to only 600 million yuan in 1978, then this amount increased by 200 million yuan each year in 1979, 1980 and 1981. At present it has reached 1.2 billion yuan. Taking the city's population as a basis for calculation, the average industrial output value per capita is 5,000 yuan. They have indeed done a good job. Their experiences should be summed up and passed on to others. The first enterprise in Xiangfan to become well-known throughout the country was the Xiangfan textile mill. It was already one of the five national advanced units in 1963. Comrade Liang Yanbin was an advanced figure of this factory. I once wrote an article of several hundred words, entitled "A Red Banner," in praise of her. Nevertheless, she was persecuted and afterward locked up. Premier Zhou received her once and Elder Sister Deng was moved to tears while reading about her deeds. At present, the Xiangfan textile mill has become a big factory and has been divided into two. Its annual output value has now reached 170 million yuan. This factory started with only several dozen foot-operated weaving machines. I suggest that this factory set up a factory history exhibition room and hang in it photos of all its advanced people together with written descriptions of their deeds. The moment young workers are recruited into this factory, they should be educated in the factory's history. We should often organize veteran workers to tell young workers about the factory's history so that they may maintain the glorious tradition of self-reliance and hard struggle in pioneering a great cause. Their present factory director is a 38-year-old comrade. He has a family of four and they are living together in one room. New dormitories have been built in this factory on several occasions. Yet he, as well as seven other leaders including the factory's party committee secretary, are still living in their original places. I told him that this alone will cause him to enjoy prestige among the workers irrespective of his capability. Although we live in poorer houses, we enjoy prestige among the masses. This is the greatest happiness of party members. If we rush to occupy new houses and live better, the masses will curse us behind our backs with their fingers pointing at us. Which, in the end, is better? What is gain and what is loss? Is this not very clear already? The Xiangfan textile mill should write its factory history. Other advanced units should do the same. In our army, even a company writes its own history and all heroic people and deeds are recorded in it. The company history is used to educate new recruits. Why can we not learn this from the PLA? This glorious tradition of advanced units is very valuable. Is it not very good ideological and political work to educate the younger generation with this kind of tradition? Do not oversimplify our ideological and political work. How can our work be successful if we indulge in empty talk and abstract principles?

Comrade Ma Xueli also talked to me about his factory. In the fourth quarter last year, no bonuses were handed out for 3 months because the factory's production plan was not satisfactorily fulfilled. Ideological and political work was then carried out among workers. As a result, production rose instead of dropping. This has proved that production will increase if ideological and political work is properly carried out. We cannot rely on bonuses alone to arouse enthusiasm and put "money" before all other things. Comrade Fan Zhongzhi, who is a veteran worker and a long-standing model, told me that we are buying enthusiasm with money. He said that this will not do and will not last long. Enthusiasm cannot be bought with money. We had better strengthen ideological and political work and carry out communist ideological education.

I also listened to Wuhan municipality's report on carrying out the "five stresses and four points of beauty" activities and was greatly inspired. At present, "five good families," "five good blocks," "five good streets" and so on are not yet common. But as long as there are some advanced units, we have got a foundation and the direction for our advancement. If we persist in this way, we will be able to completely overcome the unhealthy trends in society. This is called foundation work and mastering skills. The report also contains good experiences in remolding young criminals and in strengthening education for young people. Wuhan municipality has organized advanced figures into report groups. These people have given many reports on their own advanced ideology and deeds. These reports are very popular. I have made a suggestion to the Propaganda Department asking it to pass on and popularize this experience. There are advanced people in factories and streets, good professors and lecturers in schools and good party, CYL and administrative cadres in schools and factories. Is it not good to invite some of them to make reports in schools, departments, factories and streets in a planned way? At present, the political courses in many schools are not welcomed by the students there. This is a fact. However, there are also some teachers who give vivid and lively political lessons which are welcomed by students. Why can we not invite these teachers to give reports to teachers teaching politics? There is more than one such teacher. They can be found in primary schools, secondary schools and universities. Can we just depend on the few people of the Propaganda Department? On the one hand, we are few in number. On the other hand, we lack personal experiences. The things we learn come indirectly to us through listening to reports. Therefore, what we talk about cannot be so vivid, lively, deep or inspiring.

I have also heard the report of Comrade Guan Tao, secretary of the Wuhan watch factory party committee. This factory is a good typical example of carrying out scientific management among our enterprises. Their achievements merit emulation by our factory party committee secretaries and factory directors as well as by the leading cadres of our organs. Although this factory is still rather backward in equipment and industrial technology and is not as good as some of the enterprises in capitalist countries, no developed capitalist country can run a watch factory like we do! The cadres and workers of this factory love the factory like their own home and have such a good communist style. Therefore, the factory is very well run. This factory was designed for a production capacity of 300,000 watches a year. Last year, production reached 530,000 watches and taxable profit of the year amounted to 19 million yuan, or more than the total investment of this factory. A very significant event occurred in the factory. The son of a leading cadre of the army worked in the factory. He applied for leave to visit relatives with his mother. The factory party committee found out that he was not going to visit relatives but was going to take a trip to Lushan, and turned down his request. Perhaps because of his powerful connection, the young man said that he would take his leave with or without permission, and consequently went away for 2 weeks. When he returned, he not only did not make a self-criticism, but also said that they could dock his pay and that he was prepared to sacrifice 3 months' pay. How do you deal with this sort of person? The factory party committee held a meeting to discuss this problem and also mobilized the workers to hold a meeting. In the end, they decided to dismiss him. Why did he have to be dismissed? If this person was not dealt with, then the children of other cadres could also go to Lushan without taking leave. If they allowed the children of cadres to disobey factory rules and regulations, how could they set demands on and educate the other workers? Therefore, taking the situation as a whole into consideration, they decided to dismiss him. Is this, in the final analysis, an act of attacking or an act of cherishing? I say this is an act of cherishing. When he goes to work again in the future, he will behave himself and observe discipline. They have more children of cadres in their factory. In assigning work, they treat the children of cadres the same as the children of other workers and give them no special privileges. One year there was only a single party member among the new workers entering the factory, and the factory assigned him to the kitchen to work as a member of the kitchen staff. From the start, he took the lead. Later, they also assigned two children of cadres to work as kitchen staff. Everybody thinks very highly of working in a watch factory because they can wear a white coat. However, there are all kinds of work in the factory and no one is willing to work in the kitchen. Although the work in the kitchen is dirtier, more arduous and tiring, they still convinced the cadres' children to set the pace by going to work in the kitchen. Is a party committee upholding the principle of the factory in this way not worthy of our emulation? With such good comrades how can we not make a success of the work style of the party? How can we not make a success of our enterprises?

In all our work we must properly grasp this key link of ideological education. The policy of the party Central Committee is to grasp with both hands. In one hand we must grasp material civilization, and in the other hand we must grasp spiritual civilization. Economic construction is the center of all our work. All our work, including ideological and political work, must be centered on economic construction. However, under the premise of division of work between the party and government and under the premise of the party committee having a good grasp of the major problems of the policies and principles of economic construction and the major problems of planned economy, the emphasis of the routine work of the party committee should be placed on the building of spiritual civilization and on grasping party work, mass work and ideological and political work.

Second, our veteran cadres must be models in correcting party work style and must pay attention to the training and choosing of successors. This is the glorious responsibility of veteran cadres. I have had a few heart-to-heart talks on this problem with some of the veteran cadres present. Our veteran cadres have all been through a long period of tempering. All of them have been involved in the revolution for more than 10 to 20 years. Some of them have worked in the underground organizations of the party and some have worked in revolutionary base areas. When we joined the revolution, whoever thought that "we were bound to see the triumph of the revolution"? At that time, we all believed in the inevitable triumph of the revolution, but we never gave a thought to whether or not we would see it for ourselves. For in the White areas, nobody knew when the Kuomintang would arrest you and chop off your head or when you would be killed in battle. Did any of the comrades ever think what kind of an official he would become after the triumph of the revolution, what kind of a house he would live in, what kind of a car he would ride in or how much pay he would receive each month? At that time, they only thought about how much salt and edible oil cost. If times were good, they received a little subsidy. If times were bad, there was no subsidy. During the war of resistance against Japan, I was, together with Comrade Song Renqiong, in Jinan. Because there was a famine, we received a special ration of 5 jin of beans a month. Every day, we would cook a little soybean for food. Sometimes, we would grow few bean sprouts, and that was considered a special treat. At that time, did anyone complain of hardship? Did anyone say not to engage in revolution because of the hardship? Even when they endured hardship and they were wounded, they still made revolution. The revolution would only end when they were killed. But until their death, they would make revolution. In his political report delivered at the seventh party congress, Comrade Mao Zedong said: "Countless revolutionary martyrs have laid down their lives in the interests of the people, and our hearts are filled with pain as we the living think of them. Is there any personal interest, then, that we cannot sacrifice or any error that we cannot abandon"? This talk of Comrade Mao Zedong's was extremely inspiring at that time. Is it not still very inspiring when we read it now? Let us think of the comrades in arms who fought together with us in the past and how many of them are still alive today! In the early part of 1937 when I was working in the Jinan work committee, we had four committee members. Today, I am the only one living; the other three comrades sacrificed themselves. We who survived the revolution are able to witness the triumph of the revolution. Is this not the greatest blessing? What more could we ask for? Veteran comrades who really have large families and many mouths to feed or who are in poor health and straitened circumstances will be looked after by the state. Now the party Central Committee has again emphasized that proper arrangements must be made for the veteran cadres who leave their posts or retire and that their political treatment and livelihood treatment must be well looked after. We should see that the party and people have treated us fairly and made our life comfortable. Some of our veteran comrades still bear the scars of wounds, some in one place and some in several places. Some are still carrying bullets which lodged in their bodies. These are of course records of their glorious past. However, this kind of record is only a demonstration that we have the courage to devote our lives to the communist cause, and we cannot use it as capital for seeking fame and wealth or enjoyment. Today, the posts we hold are quite high and we are also quite well off. If we still go in for unhealthy tendencies, how can we be worthy of the martyrs who have died? How can we be worthy of the former glorious tradition of hard struggle and fearing no sacrifice? How can we be worthy of the party which trained us and the people who have confidence in us? I have told the veteran comrades who made mistakes: If you want other people to respect you, you must first respect yourselves, respect your glorious past, respect your former good work style and don't throw them away. If you throw them away and engage in unhealthy tendencies, how can people respect you! You must not ruin your own prestige!

As for our children, should we ask them to seek special privileges or should we ask them to identify themselves with the children of the workers and peasants? Our children, regardless of whether or not they have reached the age of maturity, will all be looked after by the state and society, and we should not worry about them. The principle of our party is: we definitely cannot spoil them, we definitely cannot allow them to have any feeling of superiority and we definitely cannot allow them to have any special privileges in life. Only by educating them at a tender age to have communist morality and value and imbuing in them the lofty ideals of struggling all their lives for the revolution and for the people can they identify themselves with the workers and peasants and can they develop into useful people. If we pamper them from childhood and are always asking them to eat well, dress well, seek privileged work and enjoy preferential treatment so that they regard themselves as special people, they will become divorced from the masses of workers and peasants and there will be no future for them. Therefore, how we cherish our children is a vital problem. We definitely have a handful of cadres' children whose behavior is not good and they are a bad influence. Last year, I specifically talked about this problem because there was an unhealthy trend at that time which held that all veteran cadres were bad and sought special privileges and all their children were also bad and sought special privileges. I have criticized this viewpoint because it was not based on facts. According to a study carried out by the Central Discipline Inspection Commission, the proportion of children with bad characteristics whose parents are cadres is, on the whole, the same as that of children whose parents are not cadres. The children of some of our cadres are extremely good, and their characteristics are very good regardless of whether it is in their study, their work or their life. However, there is definitely also a handful of them who are not so good and who have even become criminals. We can only blame ourselves for not teaching them properly. A handful of veteran cadres have lost their revolutionary will and their minds are contaminated by incorrect things. Some of our "ladies" are fond of spoiling their children, gaining petty advantages and using the back door. I am not saying all female comrades, but some female comrades are doing these things. Do you call this honorable? This is only bringing shame on yourself. Other people are not doing this to you; you are doing this to yourself and disgracing yourself! We are veteran cadres and leading cadres. If we go in for these kinds of unhealthy tendencies, are we still qualified to talk about other people?

Our veteran cadres must set strict demands on themselves in accordance with party spirit. They should resolutely eliminate any unhealthy tendencies. They should evacuate houses which they have seized. They should hand over to the state the things which they have obtained by foul means. They should actively make self-criticism for their mistakes such as giving and accepting bribes, return what they have unlawfully taken, and pay necessary compensation. They will not be punished if they take the initiative in admitting and correcting their mistakes, making self-criticism, returning what they have unlawfully taken, and making compensation for losses. Those who have seriously violated the state law and party discipline and must be punished for their misdeeds are to be dealt with leniently if they confess their crimes and correct their mistakes. This is the first point I want to talk about with our veteran cadres. I ask them to prove themselves models in rectifying party work style.

Another particularly important task for our veteran cadres is that they must seriously select distinguished middle-aged and young cadres to be our successors and that they do a good job of passing on experience, giving help and setting an example in the course of training middle-aged and young cadres. This is a question of primary importance. We should do this task while our veteran cadres are still around because they know what kind of successors should be selected. It will be too late and cause delay in our work if we do not hurry with this task now. When the 6th Plenary Session of the 11th CCP Central Committee concluded, Comrade Xiaoping and Comrade Chen Yun asked the first secretaries and the ministers to stay to talk about the question of selecting middle-aged and young cadres. Our leading group must be revolutionized, better educated, more professionally proficient and younger; otherwise it will be impossible to build a powerful, modernized socialist country. The Hubei provincial metallurgical bureau has 1 director and 10 deputy directors. It is now necessary to send one of them to stay at a selected grassroots unit to help improve its work and gain firsthand experience for guiding overall work. But none of them can be sent. During the initial postliberation period, the Hubei provincial government had only one chairman and two vice chairmen and each of its departments (bureaus) had only 1 director and a few deputy directors. They could work properly! Why are there so many directors and deputy directors now? Because it is necessary to make adequate arrangements for and take good care of them. Which is more important, an individual or overall work? Our old comrades must actively yield their positions to the middle-aged and young cadres who firmly carry out the party Central Committee's line, are of good moral character, have scientific and cultural knowledge of a high level and are full of vigor and vitality. As far as this question is concerned, the biggest obstacle is not the withdrawal of veteran cadres. The veteran cadres are sensible. When adequate arrangements have been made for them, they will serve as advisers, leave their posts for convalescence or retire once they are called upon to do so. However, it is often very difficult to promote the middle-aged and young cadres. The first reason is that the veteran cadres are not unified in thinking. One says this young cadre is good and another says that young cadre is better. Can anyone be perfect? The veteran cadres have shortcomings. How can they ask the middle-aged and young cadres to be perfect? The second reason is that the middle-aged and young cadres compare with one another and one is unwilling to submit to another. Why are you promoted and why am I not promoted? By how much are you better qualified than I am? The middle-aged and young cadres are also particular about seniority. I reasoned things out with them once in Guangxi. The party committee secretary of a county there was a female comrade. She was 35. I said that I would vote for this female if a party congress was to be held in the region to select its committee members. I told them why: There are other comrades in their 40's or 50's who have served longer than she has and are more capable than she is. Yet, it is better to select her than to select these comrades, because we want to train young cadres. She is young and is a university graduate with a fairly good educational background. Moreover, she has been working as a party county committee secretary for 6 years, has done her job with good results and has been tested in practice. Why should she not be selected? If we do not consider a problem in this way, we shall not have the courage to surmount obstacles and solve this major problem. This is the second point I want to talk about with our veteran cadres.

Third, the problem of criticism, self-criticism and strict enforcement of discipline. What does the present situation look like? In my opinion, since the forum on problems on the ideological front, we have made considerable progress in developing criticism and self-criticism and in overcoming laxity and weakness. However, we have as yet failed to conduct criticism, self-criticism and inner-party democratic life in a perfect, frequent, strict or conscientious manner and the rotten liberalist work style that Comrade Mao Zedong once criticized still prevails in many places. Some comrades in our party, including a few veteran cadres, are trying not to hurt anybody's feelings. They do not criticize those who must be criticized or punish those who must be punished and sometimes they even shield and beg leniency for offenders. They do not adopt the party's standard and criticize those who have committed mistakes. On the contrary they intercede for them. Some comrades in the Hengyang Municipal CCP Committee told me that it is very difficult to punish a cadre now and that people will plead for mercy for him when you are only investigating the cadre's case before making any decision. This kind of phenomenon does exist though it is not prevalent. Why do we, revolutionaries who must not fear even death, fear to criticize those we must criticize? Some comrades fear that by doing so they will hurt the feelings of some people. They said that "the more flowers one grows, the more thorns one gets." Moreover, they called this a lesson drawn from the "Great Cultural Revolution." Indeed, during the "Great Cultural Revolution" there were some people who avenged themselves on the people who criticized and punished them in the past, but this is not where the basic lesson of the "Great Cultural Revolution" lies. The most basic lesson is that political struggle was completely wrong. Therefore, we should vigorously pay attention to overcoming laxity and weakness, conducting criticism and self-criticism and perfecting the democratic life of the whole party. We should also vigorously combat liberalism. I hope that our comrades will read Comrade Mao Zedong's "Combat Liberalism," use the article to check their own activities and find what they should pay attention to correcting.

Here, I should call attention to the following problem. In our party, there are relationships between old comrades in arms, old classmates, old colleagues and between old chiefs and old subordinates. These relationships go back a long way. Now some new relationships have been added to the old relationships, for some children of veteran cadres have married some children of other veteran cadres. The relationships of the younger generation have been added to those of the old generation. There is nothing to blame in these relationships. The question is how we should regard these relationships. Should we treat the parents-in-law of our children in a feudal manner or treat them in accordance with the principles of the CCP? Comrade Chen Yun said: Tell the truth, do not save face. Regarding the above-mentioned state of affairs, I should like to add, in accordance with what he meant, the following words: We should be particular about principles instead of relationships. By being particular about principles, we mean that we should always do things in accordance with principles, even if our relatives and friends are involved. Your children must accept whatever kind of jobs they are assigned. If they are admitted into institutes of higher education, they should be college students. If they are offered jobs after recruitment examination, they should take the jobs no matter whether they are in state-owned or collective enterprises. Even if they are assigned the job of selling flat bread, they should accept the job. The day before yesterday, I watched a TV play called "The Girl Who Sells Flat Bread." Why can the children of our cadres not be flat bread sellers or dustmen? Certainly they can. Therefore, our comrades should not proceed from the feudal, vulgar or backward aspects of these relationships or exploit these relationships to shield one another or to plead for mercy for one another. Thus they will fail to criticize those they ought to have criticized and fail to punish those they ought to have punished. On the contrary, our comrades must handle these relationships in accordance with the stand of a party member, with our party spirit and with our party's principles. At present there are quite a few people who use these relationships to conduct unhealthy practices, call their conduct the "study of relationships" and call these relationships "under-the-counter relationships." We must be very carefully on our guard and resolutely put an end to and correct these errors.

As for the methods of criticism, the central leading comrades have repeatedly mentioned them, that is, we should seek truth from facts and avoid confusing two kinds of contradictions that differ in nature and confusing right with wrong, and we should be strict and conscientious in conducting criticism. We should remember well the historical lessons and avoid mechanical and excessive struggle. We should not conduct criticism in an unfair and exaggerated manner. We should not jointly attack people or compel them to make self-criticism. We should allow those being criticized to argue their cases and we should not refuse to listen to them when they argue their cases. We should never repeat those "leftist" practices. Moreover, we should not indiscriminately involve the upper and the lower levels connected with the people who have committed mistakes. The past practices of involving all those who have worked under a leading person who has committed mistakes should never be repeated. Our criticism and self-criticism is aimed at strengthening the party's solidarity, heightening the party's combat effectiveness and maintaining and carrying on our party's fine traditions. Besides this, there is no other aim.

Our party committees at all levels should be resolute and by using the weapons of criticism and self-criticism and daring to fight all kinds of unhealthy tendencies, conscientiously rectify party work style. In order to put an end to unhealthy trends, they must strictly enforce discipline. There is the party discipline for party members, the law for everyone, and the relevant regulations in factories, schools and organizations. All these must be observed by the people concerned without exception. First we must educate people. Second, we must formulate regulations and discipline. Third, we must strictly enforce these regulations and discipline. Once they are formulated, they must be strictly enforced. That is why we must be very prudent in formulating them. In formulating them, we should organize the masses to discuss them so as to make them as rational as possible. The more important thing is to intensify ideological education in order to raise the ideological awareness of the people and help them to become honest laborers and correct their mistakes when they commit any. We should leave a way out for those who have committed mistakes or even serious mistakes. This means that we must be very prudent in meting out organizational punishment to them and must leave some room for further maneuvers. Moreover, if those who have committed mistakes and received punishment have really admitted and corrected their mistakes and if this is supported by factual evidence, we should appoint them to important posts according to their abilities. We should not seize on their mistakes or make those who have committed mistakes feel that they have no prospects at all.

Fourth, on independence and initiative, seeking truth from facts and the mass line. They are the three major points of the living soul of Mao Zedong Thought. Independence and initiative, and self-reliance is a policy that not only the state but also all the provinces, all the areas, all the enterprises and all the service units must follow. This does not mean that all the provinces, all the areas, all enterprises and all the service units should develop in an all-round manner and produce everything they need. It means that they should act in accordance with Comrade Mao Zedong's teaching to build the country and develop all undertakings in a thrifty manner. They should keep this spirit of arduously conducting the cause for a long time and should never discard this spirit. Even when our country is very well developed, we should preserve and carry on this spirit.

Another point is seeking truth from facts. This is our party's ideological line. Comrade Xiaoping has expressed the line perfectly. He said that the line means emancipating our minds, using our brains, integrating theory with practice, seeking truth from facts, studying new conditions and solving new problems. As far back as during the Yanan rectification movement, the CCP Central Committee stressed seeking truth from facts and the mass line. On the eve of the victory of the war of resistance against Japan, I studied at the Yanan party school for 1 year. At that time I learned these two points at the school. However, the later practices have proved that it was precisely because we went against the principle of seeking truth from facts and acted unrealistically that we committed so many mistakes, especially the great number of blunders during the "Great Leap Forward." In order to really act in the manner of seeking truth from facts, we should first have the desire to seek truth from facts instead of the desire to please the public with claptrap. Another thing we should do is to conduct investigation and study in practice and go deep among the masses and never fear difficulties and hard work in conducting investigation and study. One important aspect of our bureaucratism now is the great number of meetings and documents. This is a problem that we often discussed before the "Great Cultural Revolution," but we have not solved it as yet even in our central organizations. That is why Comrade Hu Yaobang is always repeatedly stressing that our leading comrades at all levels should go out of their offices to basic-level units in order to contact the masses and the basic-level cadres and in order to learn from them. To actually act in this manner, we should have strong will power. If we do not go out of our offices, and if we keep attending meetings and writing documents all the time, we are precisely bureaucratists. I do not believe that we really have so many meetings to attend and so many documents to write. How can there be any harm if we attend fewer meetings and write less documents!

A third point is that our methods should be correct. We should understand materialist dialectics and should not act in a metaphysical manner or under subjective prejudice. When some of our cadres go to the lower levels to inquire into how things stand there and when some of our reporters are gathering news, they already have some fixed ideas in their minds, that is, some subjective prejudices, and their only aim is to find evidence to prove their ideas. This is a subjective method. Marx, Lenin and Comrade Mao Zedong all told us that the conclusion should never be reached before making investigation and study and that the conclusion should only be reached after making investigation and study. Engels explained this point more penetratingly. He said that if one wants to understand the truth about things and if one wants one's understanding of the truth to be completely free from distortion by any subjective factors, one has to understand the essence of objective things as they really are and to understand the law governing objective things. Therefore, in order to act in the manner of seeking truth from facts, we should raise our capability of understanding. If we do not study theory, we will not be able to understand the fundamental tenets of Marxism-Leninism-Mao Zedong Thought; thus we will not have any weapons. It is of great importance what theory and methods we use to guide our investigation and study and to guide our analysis of problems. We often find the following state of affairs: with regard to the same fact, people often differ in their views. Some of them hold the correct views and some do not. What is the reason for this? The reason is that some people are not guided by Marxism-Leninism-Mao Zedong Thought. In training and fostering middle-aged and young cadres, we should especially pay attention to this problem. We must encourage and help those who have a great deal of practical experience but are poorly educated and have a poor understanding of theory, and even those who are relatively well-educated but have a poor understanding of theory, to raise their theoretical level. In order to achieve this we should adopt various measures, such as giving study courses and training courses and holding reading meetings. Only when we are armed with Marxism-Leninism-Mao Zedong Thought can we really understand the essence of things behind the phenomena and can we really understand the law governing the development of objective things. Empiricism is a bad thing. The "gang of four" used combating empiricism as an excuse to negate us old cadres. We should expose their evil tricks. But we should not deny that empiricism is a bad thing. Some of our old cadres joined the revolution a long time ago and have indeed gained plenty of experience. This is also the case for a few middle-aged cadres who have been county CCP committee secretaries for many years and have also gained plenty of experience. But their shortcomings are unwillingness to read Marxist books and unwillingness to study theory. As a result, they are restricted by their narrow experience and their ideological standard cannot be raised. The middle-aged and young cadres we have promoted will not have broad prospects and will not be competent for the posts of being responsible for all the work independently if they do not study theory.

The mass line has already become a platitude. However, it remains a problem how to carry out the mass line in our work. Everybody understands that whatever work we do we are serving the people. Nevertheless, not all our comrades really understand or really adhere to the principle that whatever work we do we must rely on the masses of people. Some comrades always regard themselves as being cleverer than the masses and are not willing to modestly listen to the opinions of the masses. Why is there coercion and commandism? Coercion and commandism comes from a lack of confidence in the masses. Because of this lack of confidence in the masses, some comrades always try to force their opinions on other people and compel the masses to carry out their orders. In conducting revolutions, leaders are, of course, very important, but in the final analysis, we must rely on the masses of people. It will not do if we rely only on a few leaders or on the party. How could we have achieved the victories of the revolution if our party had not relied on the support of the people throughout the country? Can we, a few cadres and a few party members, build the two civilizations and build a powerful socialist China if at present we do not rely on the broad masses of people and if we do not give play to their initiative and creativeness? No, we cannot. The most important reason why during the past few years our agricultural production has developed relatively quickly lies in our adoption of correct general and specific policies which have brought into play the initiative of the broad masses of peasants. Otherwise, if we continue the old ways such as coercion, commandism, blind commands, egalitarianism, ordering the peasants to work by striking bells, ordering them to work overtime until midnight and conducting other formalist activities, we cannot achieve any results in developing production, even though we tire our peasants out and make them suffer hardships. Some comrades often follow the trend; therefore they cannot adhere to the mass line. As soon as they hear the sound of wind, they think that it will rain. As soon as they heard that the production responsibility system should be established, it seemed to them that there were no other forms of the production responsibility system except for fixing farm output quotas for each household and assigning the households full responsibility for task completion. It seemed to them that the Central Committee's document No 75 was out of date. In some production teams the masses wanted to establish the responsibility systems of fixing farm output quotas for each household and assigning the households full responsibility for task completion, but the cadres' thinking was not straightened out and the cadres obstinately refused to establish the system. In some production teams where conditions were relatively good and output was relatively high, the masses had objections to the establishment of the system of fixing farm output quotas for each household and the system of assigning the households full responsibility for task completion, but the cadres, having heard the trend in other teams, forced the people there to establish these systems. These practices violated the mass line and the Central Committee's policy. If we want to follow the CCP Central Committee, we should act in accordance with its formal directives. Did the No 1 document issued by the Central Committee this year not reiterate that the No 75 document's spirit remains in force? The spirit of the No 1 document can be summarized in the following words: acting in the light of local conditions; giving different guidance to different kinds of teams; centralizing what should be centralized, and assigning what should be assigned. This is the only realistic way of doing things. According to the different conditions in the production teams and according to the opinions of the masses, various different forms of production responsibility systems can be established in a single production team. We should rely on the masses to solve the problems of what the production team should produce, what it should not produce, how to develop the diversified economy and how to develop the responsibility system well. However correct our party's line and policies are, they cannot work unless the masses voluntarily act to carry them out. When Comrade Mao Zedong talked about the mass line at the seventh CCP national congress, he said the following words: The highest criterion to check a communist's words and actions is whether they conform to the greatest interests of the broad masses of people and whether they are supported by the broad masses of people. These words can be our maxim.

Finally, I would like to talk about the question of unity. The party's unity and solidarity are our party's life. The first thing regarding the party's unity is to unite around the party's Central Committee. The whole party must adhere to the four basic principles put forth by the Central Committee. We must adhere to these four basic principles throughout the entire period of socialism. We must resolutely implement the party's line, principles and policies. Otherwise, the entire party being subordinate to the Central Committee will become empty talk.

In order to strengthen unity, we must resolutely implement the system of democratic centralism and no one should violate it. We suffered heavy losses in the past for violating the system. There were various causes of our mistakes in history but an important one was that the party's system of democratic centralism and the party's democratic life were damaged. If the party's democratic centralism had been correctly implemented, the "Great Leap Forward" in 1958, the "campaign against right opportunism" at the Lushan meeting and the 10 years of the "Great Cultural Revolution" could all have been avoided. In February 1967, many Politburo members, vice ministers and comrades of the Military Affairs Commission Standing Committee came forward to oppose the "Great Cultural Revolution." I think that if the Politburo had convened a meeting according to the normal principle of democratic centralism to discuss whether or not the "Great Cultural Revolution" should be conducted and how it should be conducted, the mistake could have been corrected in good time. Could we not have drawn a relatively correct conclusion if we had truly implemented our party's system of democratic centralism, allowed everyone to air his views and drawn on collective wisdom? Therefore, in order to draw a lesson from historical experiences, our party committees at all levels, starting from the Central Committee and without exception, must act in accordance with the party constitution, implement the system of democratic centralism and practice collective leadership. We must submit ourselves to what the party committee has adopted even though we may have reservations if we hold different views. No individual or minority, including first secretaries, should change the collective's decision and damage democratic centralism. We should never permit such things as the cult of personality and everything being decided by one person alone to appear in our party again. This is one of the basic experiences and lessons which was summed up in the resolution adopted at the sixth plenary session. We should never repeat such a mistake.

Besides, we should also pay attention to what Comrade Mao Zedong said in the second point of "Work Methods of Party Committees." We hope our comrades will read it again. It will be of great benefit to do so. How should we improve leadership of party committees? In dealing with problems of principle, we must not make accommodation, compromise or give way but must have them thoroughly thrashed out. In dealing with problems which do not concern principle, we should not enter into endless arguments. Leading comrades of party committees at all levels are required to support each other, help each other, love each other and have mutual understanding. We should place problems on the table for discussion and should not talk behind people's backs. Talking behind people's backs violates the party's discipline and is harmful to the party's unity. To date, there are still some undesirable phenomena in our party. What the party standing committee discusses in the morning will be spread all over by the afternoon. Even before a decision is made, news about which cadres the party committee has criticized, which cadre it has discussed and which cadre it will promote sometimes leaks out. How can we strengthen our party's unity and increase our party's combat effectiveness if we do not overcome such liberalism and anarchism? This problem must be solved. If unity is achieved in our party and in particular among members of party committees and their standing committees, if these people take concerted action, keep in step, speak in one voice and if organizations at one level spur on and bring along those at another level, we are sure that the party's work style, the general mood of society, social order, economic construction and the spiritual civilization will all be improved or enhanced. But if misunderstanding remains among members of party committees and in particular among members of party committee standing committees and if they do not speak in one voice and do not take concerted action, it will never be possible for them to lead millions of people in fighting. Our comrades should never underestimate this question. This is a major question. Unity among members of a party committee on the basis of Marxism-Leninism is also the experience of the watch factory about which Comrade Guan Tao told me. Comrades of the watch factory are not particularly wiser either but they have done very well in this respect. Why then are our party committees, our prefectural party committees, our county party committees, party committees of other factories and our bureau party committees and party groups not able to do so? At present, the problem of disunity is still quite serious in leading groups of some departments and units. This is very harmful to our work and we must solve this problem. I hope that our provincial party committees and municipal party committees will all strive to strengthen leading groups. At present, the leading core of our party Central Committee is very strong and powerful and is closely united. The party Central Committee has already set an example for the whole party. Why can the whole party not learn from the Central Committee? Why should we not learn from the party Central Committee?

What I have said may all be included in the question of the party's work style and can also be considered as a question of building our party. The reason we scored victory in revolution in the past was that we had a good party, a Marxist-Leninist party. At present, if we want to carry out socialist modernization, we also need a Marxist-Leninist party and a good party before we can attain our great goal. To improve our party's work style is to do a good job in building our party so that we can have a party which is armed with Marxism-Leninism, which has the spirit of criticism and self-criticism and which has close ties with the masses. In this way, we will certainly be able to fulfill the new tasks in the new period. Is there hope to do a good job in building our party? I have already said that there is much hope. We have a good party Central Committee and we have a great number of good cadres and party members in party committees at all levels, including party committees at basic levels. Besides, there are also a great number of activities outside the party which constitute a newborn and an advanced force. An advanced force will not be defeated by any decadent force. History has been developing in this way. We are Marxists and we understand this truth of historical materialism. We must strive to bring about a decisive change of the party's work style this year. We must first of all depend on leading cadres on all fronts and depend on their exemplary and leading role. We are wrong if we are not aware of the seriousness of unhealthy trends of our party's work style. We are also wrong if we have no faith in rectifying the party's work style and overcoming the unhealthy trends. What we must do is to adopt correct methods. As was put forth by Comrade Deng Xiaoping and adopted by the Central Committee, we must overcome the lax and weak situation of our party in ideological and political work, in criticism and self-criticism and in enforcing discipline. The whole party must strive to become stronger, more powerful and more united. We must use Marxism-Leninism-Mao Zedong Thought as a weapon to fight against various kinds of erroneous ideas, erroneous trends and evil practices and develop our party's fine tradition. Our party and our cause have a bright future.

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ATTACH GREAT IMPORTANCE TO RAISING LABOR PRODUCTIVITY

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[Article by Editorial Department]

[Text] Our country's total industrial and agricultural output value grew by 4 percent last year as compared with that in the preceding year, exceeding the planned growth by 3 percent. Total grain output was close to the all-time high in the record year of 1979. New achievements were made in the growing of industrial crops and in animal husbandry, forestry and fishery. However, the conditions of industrial production were not as good as those of agricultural production. This was chiefly because production in some heavy industrial enterprises yielded rather poor results. In particular, in the state-owned industrial enterprises, labor productivity dropped despite the payment of much greater bonuses. We should pay close attention to this state of affairs. There were many reasons why some enterprises did not carry out production well. An important reason was that they did not work with all-out efforts. We must work with all-out efforts and must not be disheartened. Our party's leading organs at various levels should courageously resist all unhealthy tendencies, stop all illegal activities, and criticize bureaucratism and undisciplined behavior.

With regard to the method of leadership, the leaders in charge of production and industry should go to the grassroots level to discuss problems and visit factories. It is impossible to push work forward by just sitting in the office and wracking one's brains to find a way to do the work. We have discovered two wrong methods of work: The first is that the leaders do not go to the grassroots level to make investigations but just sit in their offices to make calculations. The second is that the leaders do not make contacts with the technicians and workers at the grassroots levels but only with people at the higher levels and only ask the state to make additional investments. Comrade Chen Yun said during the 1950's that it is imperative to spend more than 90 percent of our time on making investigations. When we do not know enough about conditions, we should bestir ourselves and visit factories and departments one by one to learn about conditions. Once we acquire more knowledge, we can work out good methods.

To realize socialist modernization and to handle properly the relationships between the parts and the whole, and between unified leadership and decentralized management, are matters of great importance. In building our country, we should coordinate all activities like pieces in a chess game. In carrying out economic activities, we should act according to plan. In developing the national economy, we must put the main emphasis on planned economy while bringing into play the supplementary role of regulation by market mechanism. In giving greater decisionmaking power to industrial enterprises and carrying out various forms of the responsibility system in agricultural production, we do not mean to discard unified leadership and planning. In carrying out agricultural production, we should also put the main emphasis on planned economy while bringing into play the supplementary role of regulation by market mechanism. Regulation by market mechanism can only play a supplementary role within the scope of the state plan. All localities and departments should be developed according to state plan, and the important ones should be developed before the less important ones. Only thus can we integrate immediate interests with long-term interests, partial interests with general interests, and build our country well.

By putting the state plan and the general interests in first position, we do not mean exercising rigid control. We have been exercising rigid control in many branches of work. Ours is such a vast country with so much work to do and such complicated economic problems to deal with that no one can know everything. Under the present administrative system, it is impossible to exercise rigid control without clearly understanding the overall situation. We should not adopt the method of exercising rigid control; we should adopt the method of unified leadership and decentralized management, which is a method compatible with dialectics. What does leadership mean? It means that unity should be achieved in determination, understanding, making of principles and policies, and formulation of a plan in major matters, while decentralization should be practiced in business management and handling of other matters. Our party has always acted in this way. We are not supernatural. How can we do everything in a unified manner? The party has stated many times that unity is stressed only in leadership and that business management should be conducted in a decentralized manner and administrative matters handled by different levels. We should not fear the word "decentralization." It means the taking of responsibility by different levels or individuals. We only oppose decentralism, not decentralization. For example, in a campaign or battle, there must be a unified operational plan and a centralized command, but our forces should be dispersed, that is, decentralized operations are needed. Only in this way can we concentrate our forces to annihilate the enemy. For another example, when there are 100 people among us making an excursion to Xiangshan Hill, we should go in groups, one group taking one car and another group taking another car. This is dialectics in daily life. This is quite simple and there is nothing mystical about it. We know how to fight a battle and make an excursion. Why can we not act in the same way when we deal with economic problems? Why do we not understand this simple piece of reasoning? The method of leadership consists of two principles. The first principle calls for unified leadership and decentralized management. The second principle requires that one make investigations before one issues orders. An enlightened leader is one who devotes the greater part of his energy to making investigations, devising strategies, and considering problems concerning the line, principles and policies.

Our leading cadres at all levels should prove themselves to be enlightened leaders. They should investigate conditions, put forth suggestions and work out methods. They should assign concrete tasks to the lower level instead of taking everything into their own hands. For example, when housing is assigned in some administrative organs, why should the leaders do the assigning instead of letting the masses take charge? Why are the leaders, and not the experts and the masses, asked to examine literary and art performances? Work concerning the masses should be assigned to the masses. Why should our enterprises establish the system governing the workers' congresses and take the mass line? The reason is that when work concerning the masses is assigned to the masses, it will be possible to develop democracy in management and arouse the enthusiasm of the masses for managing their own affairs. Moreover, the masses are collectively wiser than any one of us, and only by pooling their wisdom can we do our work well. This is the method of leadership taught by Comrade Mao Zedong. We must be enlightened leaders and must not get bogged down in routine matters.

The key to accelerating industrial development lies in raising the labor productivity of enterprises. We should not confine our attention to demanding more investment from the state. It will not do if we place our hopes chiefly on the increase in state investment. At present, the state has limited revenues but heavy financial burdens so that there is not much money in the state coffers. If we do not place our hopes chiefly on the increase in state investment and if we do not demand investment from the state, are there any other methods? Yes, there are--such as increasing bank loans, raising funds by various means, actively making use of foreign capital, and so forth. There are many other things which the collective enterprises should be encouraged and guided to do.

Some comrades say that the labor productivity of our industrial enterprises is low because they are backward technologically, their equipment and installations are outmoded, and their working conditions are poor. We must admit that some of their equipment and installations are really outmoded. But we should look at this point analytically. We must see that some factories have highly advanced equipment and installations but poor management. In many more factories the cadres are lax in maintaining good morale and are seriously imbued with bureaucratism, and the workers ignore labor discipline, make no distinction between good and bad, and go in for egalitarianism. This is the basic cause of low labor productivity. At present, emphasis should be laid on strengthening ideological education, improving business management, strictly observing labor discipline and studying new techniques. With regard to the backward equipment and installations, our policy is to conduct technical renovation by the method of "walking on two legs," that is, in the first place, it is necessary to use a certain amount of capital funds to carry out some medium-scale technical renovations and systematically carry out major technical renovations. In the second place, it is necessary to arouse the masses to carry forward the aspirations of the Chinese working class and carry out minor technical renovations without asking the state to make investments. We should take this as a major principle and a resounding slogan for tapping potential and carrying out technical renovation. Some outmoded equipment and installations should be renovated step by step by mobilizing the technicians and workers of an enterprise to work hard and rely on their own efforts, so as to launch a mass campaign of renovating outmoded equipment and installations. Once the masses are aroused to put forth suggestions, there will be unfathomable potential for carrying out minor technical renovations without asking the state to make investments! This kind of mass campaign for promoting production should be launched to develop the national economy.

All economic departments should pay particular attention to the question of labor productivity. According to incomplete statistics, in the first 11 months of 1981, labor productivity in state-owned industrial enterprises dropped by 3.2 percent, profits dropped by 8.4 percent, the amount of floating capital increased by 1.8 percent, and production costs rose by 1.1 percent as compared with the figures for the same period of 1980. We should understand that a difference of 1 percent in labor productivity means a difference of 4 to 5 billion yuan in total industrial output value. This fact shows that although we have been talking about straightening out our industrial enterprises for 3 years, labor productivity has not changed for the better. This is a very serious problem which exists extensively in the country. It shows that we have not effectively straightened out our industrial enterprises. Of course, there are many reasons why labor productivity remains low. An important reason is that this problem has not been grasped seriously and pointed out clearly. In many enterprises at present, this problem has been dealt with not by increasing ideological consciousness, strictly enforcing labor discipline and improving business management, and asking the leading cadres and party members to take exemplary action to influence the masses, but by indiscriminately paying bonuses, going in for unhealthy practices and fleecing the state in the name of looking after the interests of the masses. This method will not work. Raising labor productivity is a major problem concerning the future of our country's socialist cause. The party Central Committee has seriously put this problem to the whole party and the working class of the whole country. Above all, we should tell the masses clearly and precisely about the drastic decline in labor productivity in industrial enterprises. In many localities at present, the authorities neither tell the masses about this situation nor report on it to the higher level. They even try to cover up this situation for different "reasons." Obviously they are wrong. How can this problem be solved without bringing it to the attention of the whole party and the working class? What are the key links in solving this problem? First, the leading cadres should display their revolutionary spirit, go deep into reality and improve business management by all possible means. Second, the role of engineers and technicians should be brought into play by giving them more respect and greater power and arousing their enthusiasm. Third, the broad masses of workers should be aroused to display their sense of responsibility as "masters of the house." We believe that the overwhelming majority of workers in our country, and old workers, model workers as well as advanced workers in particular, have the socialist consciousness. Provided our party committees at all levels point out this problem clearly and grasp it seriously and arouse the broad masses of workers and technicians to action, it will definitely be possible to change the condition of low labor productivity in the industrial enterprises of our country. We must be determined, with the effort of the whole party and by relying on the broad masses of workers and staff members, to strive for a marked increase in labor productivity in the near future.

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IT IS A GREAT STRATEGIC TASK TO STRENGTHEN THE EDUCATION OF STAFF AND WORKERS IN REALIZING THE FOUR MODERNIZATIONS

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[Special commentary by Yuan Baohua [5913 1405 5478]]

[Text] In February of last year, the CCP Central Committee and the State Council made the "decision concerning strengthening the education of staff and workers." This is a great strategic decision in China's four modernizations. It has great practical significance and far-reaching historical significance in realizing the policy of readjusting the national economy and the policy of maintaining stability and unity and building a high degree of socialist material and spiritual civilization.

I

The education of staff and workers is a reliable guarantee for continuing the development of the national economy. Marxist political economics maintains that the development of social productive forces relies on man's mastery and application of cultural and scientific knowledge. One outstanding characteristic in the development of modern economy is the large increase in the proportion of the labor force which has received a high degree of various types of training. The inevitable trend of the development of production is more outstanding in highly industrialized capitalist countries. Take the United States for example. From 1900 to 1976, the number of specialized technicians and management personnel rose from 17.6 percent to 49.9 percent of the total number of its staff and workers. Great changes took place in the quality and structure of staff and workers. The quality of the labor force was greatly improved, and this promoted a rapid increase in the economy. Viewed from the Marxist theory of reproduction, the education of staff and workers occupies a very important position and role in economic construction. In carrying out modernization and persistently developing the national economy, we must persistently expand reproduction and constantly raise the level of productive forces. Insofar as enlarged reproduction is concerned, it includes the reproduction of material goods as well as the reproduction of the labor force. In this respect, the education of staff and workers is an important aspect in socialist enlarged reproduction. In the past, we paid attention to the reproduction of material goods but did not pay enough attention to the physical strength of workers and to the training and improving of their intelligence, whereas the labor force is the most active factor in productive forces. Machinery and equipment are made by man and operated by man. We should closely combine the all-round training and improving of worker intelligence with the production of material goods, and place the development of production and the education of the staff and workers in equally important positions. Marx pointed out: "To change the character of common people so as to make them obtain skills and techniques in certain labor departments and become a developed and specialized labor force requires a certain education or training." ("Collected Works of Marx and Engels," Vol 23, p 195) In the past when we talked about expanding reproduction, what first came to mind was to increase the labor force, investments and equipment. Quite often we only thought of expanding reproduction by means of extension. We did not pay attention to enhancing the quality and efficiency of the workers. Nor did we pay attention to tapping the potential of enterprises, to their innovations and restructuring. According to statistics, 80 percent of the investment for tapping potential and for innovations and restructuring is used for the extension of enlarged reproduction, and only 20 percent is used for the renewal and technical innovations of fixed assets. China's original industrial foundation was weak, and it was necessary to first expand reproduction by means of extension. But in our current modernization program, we must fully utilize the present industrial foundation, lay stress on the technical innovations and the renewal of equipment of existing enterprises, on improving the management and technological process, and on raising the skills and techniques of the workers. We must continue to get deeply involved in production and enable enlarged reproduction to play the dominant role. Only in this way can we have higher quality with less investment and greater economic returns with lower consumption, and can the people's livelihood improve gradually.

Lenin once pointed out: "Communism means labor productivity which is higher than that of capitalism and which is created by the workers who use advanced technology, who are voluntary and who are united." ("Selected Works of Lenin," Vol 4, p 16) The raising of labor productivity is decided by various factors, of which the main one is "the average level of skills mastered by the workers, the level of scientific development and its technological use, the social combination of the production process, the scale and effect of the means of production and the natural conditions." ("Collected Works of Marx and Engels," Vol 23, p 53) Here Marx put "the average level of skills mastered by the workers" in first place. One important reason why China's present labor productivity is low is that the educational and technological level of the laborers is low. Therefore, if we want to raise labor productivity, we must strengthen the education of the staff and workers, raise their educational and technological level, and change latent productive forces into actual productive forces. Generally speaking, to master modern technology in production, the workers must have a middle-level specialized education. Viewed from technological requirements, the higher the educational level of the workers is, the higher the rate of production quotas will be and the more the constructive suggestions and creations and invention will be. Some industrially advanced countries like the United States, Japan and the Soviet Union regard the development of education as an important factor in economic growth. They energetically develop the educational cause along with developing the economy. They strengthen the training of staff and workers. In our country, some enterprises have also done a good job in educating staff and workers, and this has promoted the development of production. The Taiyuan Iron and Steel Company began to train all its personnel in 1978. In the past few years, because the educational, scientific and technological levels of staff and workers has been enhanced, the production of enterprises has rapidly taken on a new look and new records have been established in the eight economic and technological indexes. In 1979, it was cited as an advanced unit in the metallurgical industry. From experience they realized: "We cannot produce superior quality steel without first having acquired qualified personnel through training." Marx pointed out long ago that the technological level of the population is the prerequisite for the entire production and therefore is the main accumulation of wealth. This truth has been proved more and more in production practice. But some comrades have not fully understood the importance of the education of staff and workers; quite often they separate the education of staff and workers from the development of production and the economy, or they even make the two antagonistic. They fail to see the gravity of the situation in which the educational and technological level of our country's staff and workers is not in conformity with the requirements for modernization; therefore, they think that production can be developed without paying attention to the education of staff and workers. If this erroneous view is not corrected, it will inevitably exert a bad influence on production and construction and on the enhancement of the understanding of staff and workers.

II

Our party and government have always attached great importance to the education of staff and workers. They also have a fine tradition in educating staff and workers well. As early as the revolutionary war years, we carried out various forms of education and training for the cadres and for staff and workers by starting from the wartime conditions and the needs in struggle. Since the founding of new China, following the rehabilitation and development of the national economy, the party and government have issued instructions many times and paid great attention to the part-time education of staff and workers. Good results have been achieved. According to incomplete statistics, in the 17 years before the "Great Cultural Revolution," illiteracy was wiped out on a large scale. More than 2.9 million staff members and workers reached the level of 6 years of primary schooling, 960,000 finished part-time secondary schools and 200,000 graduated from part-time institutions of higher learning. In 1965, the number of persons who had studied in various staff and workers' part-time schools of various grades reached more than 17 million. This raised the educational and technological level of our country's staff and workers. Some of them became key leaders and fine specialized personnel on various fronts. They made important contributions to our socialist construction. But owing to the influence of the "leftist" ideology, particularly owing to the disruption caused by the 10 years of turmoil, the education of staff and workers suffered serious destruction. There has been a certain rehabilitation and development in recent years, but it has not attained the past level. It is still an arduous task to train all personnel and to establish a regular system of educating staff and workers. The organizations and institutions for the education of staff and workers have not been adequately perfected. The training targets, teaching plans (programs) and examination methods of various staff and worker schools are not adequately explicit and unified. Some specific policies and stipulations remain to be implemented and the conditions for running schools remain to be improved. These problems must be gradually solved.

We should understand that the obstacle to strengthening the education of staff and workers is that some leading comrades do not fully understand the important position and role of this education in the four modernizations. Therefore, they do not grasp the work firmly and are slack in their work and lack a sense of urgency. In modern construction, the results of science and technology are rapidly applied in production. New technology, new products and new equipment develop more and more rapidly. Production technology is constantly being innovated and new trades are constantly emerging. The progress of science and technology has given the education of staff and workers a new role and new content. The number of technical personnel in some industrially developed countries generally is more than 30 percent of the total number of staff members and workers. But the number of engineering technical personnel is only 3 percent of the total number of staff members and workers. We must wipe out the longstanding erroneous view that despises education, science and culture and that discriminates against intellectuals. We must energetically raise the position and role of the education of staff and workers in our modernization, adopt effective measures to strengthen the education of staff and workers, improve the quality of our country's staff and workers, and train a staff-worker contingent which has scientific and cultural knowledge and which has specialized techniques and management experience to suit the needs of the four modernizations.

Strengthening the education of staff and workers is an important part of realizing economic readjustment. Readjustment is an important measure that must be adopted for rationalizing the economic structure, and training is an important part of realizing this measure. We must give regular education in a planned way to large numbers of cadres, staff members and workers in order to raise their political, cultural, technological and management levels. In the readjustment period, we must readjust the proportional relationships between the education of staff and workers and the national economy, as well as the proportional relationships within the education itself. In the past, the plans for the educational cause and the plans for the national economy were seriously out of proportion. The funds for education only accounted for a very small percentage in the national economy, and the funds for the education of the staff and workers were even less. Based on the requirements of the party Central Committee, we must readjust the proportional relationships between the plans for economic construction and the plans for social development (the plans for developing education, science and technology, culture and public health) and appropriately increase the funds for education within the frame of the state's financial resources. We must understand that investment in education is a productive investment. This is an intelligent investment from which good economic returns can be obtained.

It is wrong to regard the investment in the education of staff and workers as merely a consumption investment.

The internal structure and proportional relationships of the staff and workers educational cause must also be readjusted. For instance, the higher education of staff and workers was once carried out blindly. Some units adopted the method of "saddling the horse after mounting." Many factories ran their part-time schools on the basis of one factory running one school and one school having one class. Through preliminary readjustment, the quality of teaching was improved, but some problems must be further studied and solved. The contents of the education of staff and workers are complicated, and they involve an extensive range of knowledge. In our practical work, we must pay attention to the readjustment and handling of the following relationships: starting from the practical conditions that the foundation of the education of staff and workers is weak, we must handle well the relationships between opening up roads for schooling, the forms of running schools, and the gradual establishment of a comparatively regular system for the education of staff and workers; we must handle well the relationships between the training of all personnel and the running of key classes, as those who receive education are large in numbers and the task is complicated; we must handle well the relationships between popularization and enhancement and between basic and specialized education, as the people undergoing education have different levels of culture and technical knowledge and are engaged in different vocations; and the staff and workers who attend part-time schools have to handle correctly the relationships between study and production (work). In short, through readjustment we must put the education of staff and workers into the plans for the national economy and the plans for the educational cause, and gradually regularize the education.

Strengthening the education of staff and workers is needed to change the structure of China's cadre contingent. In our modernization work, we should have a revolutionized and young cadre contingent which has specialized skills and knowledge. But of the 20 million cadres who are not engaged in production, only a few have a high level of educational and technical knowledge, and those who are in the prime of life and understand modern management are even fewer in number. If this situation is not changed, it will be very hard for them to lead the work of modernization. To solve this problem, we must, when supplementing the number of cadres, energetically strengthen the specialized training of the cadres we currently have, besides selecting cadres who have high political, educational and vocational levels. In particular, we must have long-range plans and carry out training of fine middle-aged and young cadres so that they can become specialized personnel who have both ability and political integrity.

The education of staff and workers must be carried out under the principle of "walking on two legs." On the one hand, full-time institutes of higher learning should train and provide personnel, and on the other hand, we should open up all possible roads for schooling and carry out all forms of training of employed cadres. Practice has proved that the education of staff and workers is one of the important methods for training construction personnel faster, better and with more economic results. At present, of the nearly

400,000 industrial and communications enterprises, about 50 percent have run various types of staff and worker schools or training courses. The number of participants is about 10 million. In 1980, the number of students studying in the staff and worker institutions of higher learning was about 500,000, half of the number of students studying in the full-time institutions of higher learning. Most of the graduates of the staff and worker institutions of higher learning are in charge of technical and management work in factories, mines and enterprises, and some of them have become key leading cadres. Take, for example, the Shenyang No 1 Machine Tool Plant. Sixty percent of the cadres at the factory level, 70 percent of the middle-level cadres, the general designer, the general art designer, the general accountant and some engineers and technicians were trained and brought up by the education of staff and workers.

Facts have proved that strengthening the education of staff and workers ia a strategic task in realizing the four modernizations as well as a task of top priority. Leading comrades at all levels must understand the importance and urgency of the education of staff and workers. The period for training personnel is long. There is an old Chinese saying: "It takes only 10 years to grow trees, but 100 years to rear people." This shows that the training of personnel and the building of socialist spiritual civilization is a long-term hard struggle. We must take a broad and long-term view, make overall plans, strengthen leadership, and really implement the task of developing intelligence and training personnel in every unit. If we grasp the education of staff and workers early, we will be in an active position, but if we grasp it late, we will be in a passive position. If we do not grasp it at all, it will be very hard for us to master advanced technology and equipment in order to build and manage well modern enterprises. It will be even harder to raise labor productivity by a large margin, and we will delay the great cause of four modernizations and commit historical mistakes.

III

The education of staff and workers is an important component part in building socialist spiritual civilization. In realizing its great historical mission of communism, the working class undertakes the double task of building a high level of material and spiritual civilization. Just as Comrade Mao Zedong said, we not only want to build a politically democratic and economically prosperous China, "but also want to change an ignorant and backward China because of old cultural domination into a civilized and advanced China which is under new cultural domination." ("Selected Works of Mao Zedong," Vol 2, p 624)

China has 100 million staff and workers. Their level of education, understanding of cultural and scientific knowledge, ideological values and morality are an important way of measuring the level of socialist spiritual civilization. How the education of staff and workers is carried out has a direct bearing on the great cause of building socialist spiritual civilization and on the great cause of whether socialist modernization will be successful. China's staff and worker contingent is essentially good. Especially in the recent years since the smashing of the "gang of four," this contingent has exerted itself spiritually, restored and developed the spirit of going all out, and progressed. The great majority of staff and workers are working in a down-to-earth manner for the realization of the four modernizations. But we must understand that because the 10 years of turmoil confused the people's ideology and confused ideological and political work, the education of staff and workers has been relaxed, the ideology of some staff members and workers is not healthy enough, and they have poor knowledge, low socialist consciousness and lack a sense of responsibility. They do not understand the glorious traditions of China's working class, do not understand the historical mission of the world proletariat. Through various forms we must strengthen propaganda and education on Marxist-Leninist basic theory, education on the history and glorious revolutionary traditions of the working class, and education on the historical mission of China's working class, and raise their socialist ideological consciousness to enable the staff and worker contingent to keep and develop the character and nature that the working class should have and to resist the corrosive influence of nonproletarian ideology; we must also instruct and educate the staff and workers to study hard scientific and cultural knowledge and to master technology so that they can become both Red and expert. Lenin pointed out: "Without knowledge, the workers will not be able to carry out self-defense; with knowledge, they will be powerful!" ("Collected Works of Lenin," Vol 2, p 68) China's working class, which is working hard for the realization of the four modernizations, must not only master the skills needed for carrying out the four modernizations, but also become the main force in building socialist spiritual civilization. They should foster the great ideals of communism, develop socialist new morals and new habits, and make contributions to building socialist spiritual civilization!

Summing up what has been mentioned above, strengthening the education of staff and workers is a great strategic task in realizing the four modernizations. At present, we must implement the principle of giving training to all personnel in the education of staff and workers, make full use of the economic readjustment, and make all-round plans and overall arrangements. In the coming few years, the vocational training of leading cadres and the making up of technological lessons for young staff members and workers who came to factories since the "Great Cultural Revolution" should be stressed in the education of staff and workers. We must energetically think of how to make a policy that is beneficial to the three initiatives of mobilizing the leading authorities to run schools, teachers to teach, and staff and workers to study hard. We must combine the study with the personal interests of staff and workers. We should gradually establish a regular system of giving training and examinations to the staff and workers and put their study records into the educational and technological files to be used as an important reference for upgrading, promoting and selecting advanced personnel. In this way we can create the conditions for reforming our labor system and cadre system. We must gradually improve the conditions for running schools, energetically build a teacher contingent and training bases for the education of the staff and workers, and gradually standardize the plans for training teachers. The staff and worker part-time schools at all levels must strengthen teaching management, build and perfect their rules and regulations, and constantly raise the quality of teaching.

Heavy responsibilities must be shouldered in the education of staff and workers. The education of staff and workers has good prospects. According to the requirements of the decisions made by the party Central Committee and the State Council on strengthening the education of staff and workers, we must unswervingly carry the education through ideologically, in a planned way, organizationally and with measures, and really strengthen the education of staff and workers. We must bring into full play the initiatives of the trades union, the CYL, the women's federation, and the scientific and technological association, work hard together, do a good job in the education of staff and workers, and make new contributions to the training of large numbers of qualified personnel needed for the four modernizations!

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IT IS IMPERATIVE TO UPHOLD THE BASIC PRINCIPLES OF MARX' THEORY OF REPRODUCTION--PART ONE

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[Article by Deng Liqun [6772 0500 5028]]

> [Text] Editor's note: This article by Comrade Deng Liqun integrates historical experience with the current actual situation, expounds the basic principles of Marx' theory of reproduction, upholds the importance of these principles, and is helpful to the vast numbers of cadres in their study of and research on economic theory. The article consists of three parts. The first part expounds the idea that dividing social production into two major categories is an important premise of Marx' theory of reproduction. The second part expounds the idea that coordination between the two major categories is a basic condition for the normal progress of social reproduction. The third part expounds the idea that it is a general law governing expanded reproduction that priority must be given to producing the means of production. In this issue we publish the first part, and the other two parts will be published in the coming two issues.

Since the 3d Plenary Session of the 11th CCP Central Committee, in order to correctly sum up the experiences of our country's socialist construction and to enable our national economic readjustment to be smoothly carried out, a continuously increasing number of comrades have been consciously studying, or have been restudying, Marx' theory of reproduction. In 1980, to facilitate this study, the Research Office of the CCP Central Committee Secretariat organized several economic theorists to compile a book, entitled "Studying Marx' Theory of Reproduction," which contains excerpts from the principal contents of volume two of "Das Kapital." This book of excerpts is very difficult to understand. This was anticipated even when the book was being compiled. Therefore, the economic theorists were requested to write three easily understood articles which concisely sum up the book. Even with these articles, it is still difficult to study the theory. However, based on the requirements of practical economic work, it is not enough for the leading comrades at various levels who do economic work to study the book of excerpts alone. It is most desirable for them to study the whole of "Das Kapital," volume two, and also to strive to understand it thoroughly. The reason why this is necessary is very simple. An important reason for the numerous mistakes we committed in our economic work in the past was our lack of understanding of Marx' theory of reproduction. Some comrades say that advocating the study of Marx' theory of reproduction is an idea divorced from reality and that it is unnecessary to study this theory. We must not accept this view.

The overwhelming majority of those comrades who, over the past year and more, have conscientiously studied the theory of reproduction, feel that the study of this theory has greatly enhanced their ability to understand and solve problems, and that it is quite necessary to continue to organize this kind of study. However, a handful of comrades are skeptical about, or even object to, certain basic principles of Marx' theory of reproduction. In July of last year, at the graduation ceremony of the 10th enterprise management study class run by the State Economic Commission, I expressed disagreement with the view of this handful of comrades. I talked very briefly about this because of inadequate preparation and time limitation. I will now discuss the question in greater detail.

I. Dividing Social Production Into Two Major Categories Is an Important Premise of Marx' Theory of Reproduction

Superficially, social production is the sum total of the production activities of numerous enterprises. These enterprises are divided into various trades and sectors. Can we base our revelation of the laws governing social reproduction activities on a categorization according to trades and sectors? No, we cannot. According to the difference in the use values of various products, Marx divided the totality of social products into the means of production and the means of subsistence, and then divided social production into two major categories, namely, production of the means of production and production of the means of subsistence. It is to make possible the renewal of production that we must have both the means of production and the means of subsistence, and moreover, an appropriate ratio should be maintained between them. Only thus can the workers and capitalists of the two categories in capitalist society acquire the consumer goods needed for reproduction; only thus can the capitalists obtain the means of production needed for reproduction; and only thus can the reproduction of social capital be carried out. Therefore, the laws governing social reproduction activities are also the natural relationships between the two major sectors which produce these two categories of products.

Lenin highly appraised this categorization by Marx. He said: "The basic premises on which Marx' theory is based are the following two principles. First, in a capitalist country, the total product, like an individual product, is composed of the following three parts: 1) invariable capital; 2) variable capital; and 3) extra value.... The second principle is that capitalist production must be divided into two major categories. The first category is production of goods which are used for consumption in production and used as an input in production. These goods are not used for personal consumption, but are used for the consumption of capital. The second category is production of consumer goods, that is, goods used for personal consumption." ("Collected Works of Lenin," Vol 3, p 31; note that "extra value" is synonymous with surplus value) Please note that the division of production into the two major categories is not only one of the "basic premises" of the theory of reproduction, but is also in itself a principle of this theory. According to logic, a "premise" is a known judgment for inference. If this judgment is wrong, subsequent judgments and even the whole process of inference will certainly be invalid.

Before the emergence of Marxism, none of the economists, including the most outstanding ones, made a scientific categorization of the total social product, and hence of the overall social production. Therefore, they could not scientifically explain the process of social reproduction.

Francois Quesnay, the representative of the French school of physiocrats, had made an attempt in this respect and had put forth some original views. Marx said that the fruit of his attempt "is an extremely ingenious idea. Undoubtedly, it is the most ingenious idea which has hitherto been put forth in political economics." ("Collected Works of Marx and Engels," Vol 26, part I, p 366) In his "Tableau Economique," Quesnay described the exchange between the three classes: the farmowners whose land was one lease, the landowners, and the "unproductive classes" (capitalists and workers). However, as pointed out by some people, this exchange only amounted to an exchange between two sectors: agriculture and industry. Because of this method of categorization, his analysis of the reproduction of social capital encountered grave difficulties from the start. The economists after Quesnay, such as Adam Smith, even slipped back compared with Quesnay. Adam Smith not only failed to rectify the defect in Quesnay's analysis, but even excluded invariable capital from the value of commodities (the commodities constituting the annual social product). He held that the value of a commodity is made up of wages, profit and rent, or, in other words, can be split up into v + m. This made the path to understanding the process of social reproduction even less accessible.

By breaking through Quesnay's limitations and correcting Smith's mistake, Marx could build a scientific theory of reproduction which is applicable not only to the capitalist economy but also to other socioeconomic forms. The basic premises of Marx' theory of reproduction form an important part of his theory of reproduction. Any attempt to separate these premises from the theory of reproduction will inevitably lead to deviation from Marx' theory of reproduction. This is true of both the analysis of the reproduction of social capital and the analysis of socialist reproduction.

In exercising leadership over the Russian people in carrying out economic construction, Lenin analyzed the industrial structure by categorizing production into agriculture, light industry and heavy industry. He said in a speech: "To save Russia, it is not sufficient to rely on bumper harvests in agriculture alone, or to rely solely on a good situation in light industry which provides the peasants with consumer goods. We must also have our heavy industry." ("Collected Works of Lenin," Vol 33, p 385)

First of all, we should say that Lenin's method of categorization differs from Quesnay's method, because the distinction between light industry and heavy industry is based on differences in the use value of products, rather than on different sectors of production. Light industrial products are basically means of subsistence, and heavy industrial products are basically means of production. Therefore, the relationship between light industry and heavy industry is basically tantamount to the relationship between two categories: the production of the means of subsistence and the production of the means of production. As to agriculture, if production is not highly developed, the overwhelming majority of agricultural products can either be directly used for consumption or can be used for consumption after simple processing work. Thus, agriculture can basically be regarded as belonging to the second category. Therefore, we must not sweepingly say that it is incorrect to divide production into agriculture, light industry and heavy industry as a way of categorization.

Second, Lenin also said at that time that what was called heavy industrial production, such as mining and metallurgical production, should be called the production of the means of production in the terminology of political economics. (see "Collected Works of Lenin," Vol 33, p 369) Obviously, in Lenin's view, the categorization of production into agriculture, light industry and heavy industry was, after all, different from the categorization into the two major categories, and therefore heavy industrial production could not be substituted for the production of the means of production. If we say that in the past the relationship between agriculture, light industry and heavy industry basically reflected the relationship between the two major categories, then, in recent years, the gap between these two has been continuously widening. Considering the heavy industrial sector, at present not only can many products produced by enterprises belonging to the heavy industrial sector be directly used for personal consumption, but many heavy industrial enterprises are also producing various daily necessities. Many products from the light industrial sector are also means of production, such as fabrics, felt, leather products, ceramics, porcelainware, and enamelware, which are for industrial use. In particular, since the appearance of new industries such as the plastic materials and synthetic fibers industries, light industry and the textile industry have also served the metallurgical, mining, chemical, machine-building and electrical industries, and so on, by providing many new materials with special properties which are used to help complete the production processes. That is to say, heavy industry and light industry are merging with each other, and it is becoming increasingly difficult to distinctly separate them. As for agriculture, in today's developed capitalist countries, there are extremely few agricultural products which are directly used for consumption without undergoing industrial processing. In our country, the proportion of agricultural products used as industrial raw materials is becoming increasingly high. To sum up, the drawing of a distinction between agriculture, light industry and heavy industry has been increasingly substantially divorced from the use (that is, use value) of the products. This has actually been increasingly owing to the need to separately control various enterprises on the basis of different sectors. In these circumstances, if we continue to rigidly adhere to the drawing of this distinction, our economic work, in particular our planning and statistical work, will no longer be scientific.

In the past we believed that the two major categories of social production were not abstract and they specifically existed in each production sector. Thus the relationship between the two major categories has to be embodied in the relationship between agriculture, light industry and heavy industry. Actually, the relationship between the drawing of a distinction between the two major categories and the drawing of a distinction between agriculture, light industry and heavy industry is not a matter of one being abstract and the other being concrete; these are just different ways of categorizing the same thing, social production. The categories involved in these two ways of drawing a distinction have, as a rule, been derived through abstraction and summing up. When we draw a distinction between the production of the means of production and the production of the means of subsistence, we single out two different characteristics from the social products, and hence from social production, namely, being used for production and being used for consumption. Then we consider the production of all social products in terms of these characteristics. As to the drawing of a distinction between agriculture, light industry and heavy industry, as we have said, agricultural products include both the means of subsistence and the means of production. The same reasoning also applies to light industry and heavy industry. If the two major categories concretely exist and can be reflected in a concrete way, then their existence is reflected in all the products of the two major categories and the production of these products.

Does this then imply that the national economy cannot be divided into different sectors and cannot be studied on the basis of various sectors? No, it does not. It is quite necessary to divide the national economy into sectors and to study it on this basis. In fact, this kind of study is being carried out. For example, under the Academy of Social Sciences, there are an industrial economic research institute, an agricultural economic research institute, an economic research institute for finance, trade and material resources, and so on, which respectively study industry, agriculture, finance and trade, and so on. Some colleges also provide specialist courses to train specialist cadres for various economic sectors. However, these belong to the realm of sector economics. These studies constitute a task of sector economics, not of political economics. Therefore, categorization on the basis of sectors of production should not be taken as the premise for the theory of reproduction, which is an important part of political economics.

Neither does this imply that when we plan the industrial organizational structure and the composition of enterprises, it is not necessary to divide production into sectors under each category. Actually, in "Das Kapital," Marx said: "Each of these two categories embraces various sectors of production. All these sectors together form a single and large sector of production, one of which being the sector which produces the means of production, and the other being that which produces the means of subsistence." ("Collected Works of Marx and Engels," Vol 24, p 439) However, these sectors of production, divided according to the two major categories, differ in some ways from the sectors categorized as agriculture, light industry and heavy industry. According to the method of dividing production into two major categories, some of our enterprises might have to be readjusted, shifting from one sector to the other, and the sectors might also have to undergo changes. Some enterprises which produce both means of production and means of subsistence might change to being specialized in one category in the course of the development of cooperation between specialized enterprises. Some enterprises need not and cannot specialize in one category. They might be included in appropriate sectors according to the main use of their products. This change is actually a readjustment of the industrial organizational structure and the structure of enterprises, and is a very complicated matter. When we effect this readjustment, we must not only have specific plans for implementation, but must also be prepared to solve numerous practical problems. Therefore, we cannot effect this readjustment in isolation so that it is divorced from our national economic readjustment or the reform of our economic system.

Quite a few comrades disagree with the idea of adopting the so-called "classification of production into primary, secondary and tertiary industries" to substitute for or "supplement" the division of production into two major categories. This is not only because the theoretical basis of "classification into primary, secondary and tertiary industries" is a vulgar theory of value, but also because this classification itself is extremely confused. For example, the so-called "tertiary industry" generally includes public utilities such as transportation, communications, the power industry, coal gas production, water supply, warehousing and so on; such trades as commerce, financial business, insurance, entertainment, catering, tourism and so on; as well as scientific research, education, the press, radio and television, and even administrative, military and judicial organs, and so on. Some of these, such as transportation, belong to sectors of material production. However, the majority belong to sectors of nonmaterial production. As for administration, military activities, entertainment and so on, these cannot even be called economic sectors. Thus, this classification simply cannot reveal the laws governing social reproduction.

Since the founding of Marx' theory of reproduction, the world economy has undergone drastic changes, such as the appearance of the socialist economy and the formation and development of state monopoly capitalism. The relative importance of commerce, finance and business, transportation and communications, municipal public amenities, catering, service trades, tourism and so on in the national economy has greatly increased; and this should also be regarded as a change, which is, moreover, a very marked one. Let us look at the "service sector" (including transportation and communications, posts and telecommunications, commerce, banking and insurance, repair and maintenance of domestic buildings, family service trades, "social management businesses" undertaken by enterprises outside productive sectors, and so on) of several principal capitalist countries. The proportion of those employed in the "service sector," as a percentage of the total number of people employed, was: for the United States, 55 percent in 1952, 58 percent in 1960 and 62 percent in 1970; for the United Kingdom, 46 percent in 1952, 47 percent in 1960 and 50 percent in 1970; for West Germany, 33 percent in 1950, 37 percent in 1960 and 42 percent in 1970; for France, 35 percent in 1950, 39 percent in 1960 and 49 percent in 1970; and for Japan, 29 percent in 1950, 40 percent in 1960 and 47 percent in 1970.

Marx said: "If the quantity of products remains constant, the smaller a country's productive population as a proportion of its nonproductive population, the richer will be the country. This is because the relatively small size of its productive population is merely an indication of a relatively high labor productivity." ("Collected Works of Marx and Engels," Vol 26, part I, p 229) The level of development of our country's productive forces is low. The proportion of people engaged in commerce, services and so on should not and cannot be as high as in developed capitalist countries. However, with the development of production, the number of workers in these sectors should correspondingly increase and they should gradually constitute an increasingly higher percentage of the entire working population. However, this was not the case with our country in past years. Statistics have revealed the following changes in the percentages of workers in our country who belong to several specified sectors (under the ownership of the whole people).

The sectors are: (A) communications and transportation, posts and telecommunications; (B) commerce, catering and service trades; (C) municipal public utilities; and (D) scientific research, cultural services, education, medical and health services.

The percentages are:

	(A)	(B)	(C)	(D)
1949	8.0	15.7	0.4	14.7
1952	7.2	18.5	0.3	15.1
1957	6.8	19.9	0.9	13.4
1958	5.6	10.0	0.6	8.3
1965	6.6	14.7	1.2	14.3
1976	6.3	13.0	1.2	11.7
1978	6.0	13.0	1.3	12.6

The low percentages of workers in these sectors indicate that the development of these sectors has been quite incompatible with the development of the entire national economy. The consequences have inevitably been very undesirable. It is absolutely necessary to stress the development of these sectors. Actually, we have considered it an important task of national economic readjustment to end the relative backwardness of these sectors. After several years of efforts in this direction, marked results have been achieved. Of course, progress is still quite inadequate and we should continue to make efforts.

Is the relative backwardness of these sectors owing to not using the "method of dividing production into primary, secondary and tertiary industries" to substitute for or "supplement" the division of production into two major categories? Absolutely not. Everyone knows that although light industry is "included" in the two major categories, it has been a weak link in our national economy. Even transportation and communications, which is classified as a "tertiary industry," and which is also "included" in the two major categories as part of heavy industry, is also relatively backward. Thus, the problem is owing to some other reason. The objective reason for the relative backwardness of these sectors is that in old China the economy was quite underdeveloped and the broad masses of people lived a life of hardship, being inadequately fed and clothed. After the overthrow of the reactionary rule of imperialism, feudalism and bureaucrat-capitalism, and after the founding of the PRC, while we carried out the socialist transformation whereby the system of private ownership was replaced by public ownership, we devoted strenuous efforts to the restoration and development of industrial and agricultural production. This was absolutely correct. The reason is very simple. Considering the relationship between production and exchange, we know that only when many things are produced can exchange be expanded; only when people are adequately fed and clothed can we consider the satisfaction of other needs; and only when material production is well developed can there be favorable conditions for the development of science, education, medical and health services, art and so on. To sum up, as Marx said, the development of material production is the basis of overall social life and of the totality of real history. (Refer to "Collected Works of Marx and Engels," Vol 23, p 204) Our weak point is that we have not gradually and correspondingly developed these sectors with the gradual development of industrial and agricultural production. We have not adequately paid attention to the role of these sectors in promoting industrial and agricultural production. Our view is seriously one-sided.

Some people hold the view that, at the time when Marx wrote "Das Kapital," certain sectors which are called "tertiary industries" were not yet well developed and were not very important, and therefore Marx did not include them in the two major categories in his categorization of production. This view probably represents a misunderstanding of the structure of "Das Kapital." Volume two of "Das Kapital" studies the process of circulation of industrial capital, and the consideration of various specific forms of capital is absolutely unnecessary. To study various specific forms of capital is a task of volume three. The classification of production into two major categories only deals with industrial capital and not the entire national economy, or even the whole society with its cultural and political realms. Did Marx simply ignore commercial capital, financial capital and so on? In fact, in volume three of "Das Kapital," nearly 400 pages were devoted to the study of such capital. We should say that Marx paid great attention to it. The question is that when we divide production into two major categories in studying the reproduction of social capital, we must definitely not consider such capital, because it is not industrial capital. Marx paid great attention to the differences between various types of capital, saying: "The most ridiculous view is to regard merchant capital--whether it appears in the form of capital for the trading of commodities or capital for use in monetary business--as a special variety of industrial capital, just as mining, agriculture, animal husbandry, manufacturing industries, transportation and so on are, by virtue of social division of labor, branches of industrial capital, and hence specific realms for investment of industrial capital." ("Collected

Works of Marx and Engels," Vol 25, p 361) When we divide social production into two major categories in our study of social reproduction, if we also consider nonproductive or even noneconomic sectors, we will only make a mess of the problems to be studied and will be unable to find the laws governing social reproduction.

Of course, this does not imply that the development of commerce, the financial sector, service trades and so on need not be coordinated with the development of industrial and agricultural production, or imply that there is no need to maintain necessary proportional relationships between these sectors and industrial and agricultural production. Such relationships are necessary and it is very important to study them. However, they belong to the category of relationships between social production and other economic sectors, and do not belong to the category of relationships between different categories of social production.

CSO: 4004/31

HOW TO HELP CADRES STUDY THE THEORY OF REPRODUCTION

Beijing RED FLAG in Chinese No 5, 1 Mar 82 pp 26-28

[Article by Wang Jue [3769 3778] and Zang Zhifeng [5258 1807 7364]]

[Text] Since spring last year, the Party School of the CCP Central Committee has organized the sixth and seventh rotation training courses for senior and mid-level cadres to study the Marxist theory of production (with an outline from "Das Kapital," Vol 2, as the teaching material). Thanks to their efforts, these cadres have made fairly good achievements in their study. Based on teaching practice during this period, the following are our views on how to help cadres study the theory well.

1. Analyze the Cadres' Favorable Conditions To Help Them To Have Confidence in Their Study

In the past, these comrades studied very little of the Marxist theory of reproduction. Therefore, at the beginning of their study, they saw many difficulties and regarded the deep study of this theoretical book as unachievable and they were slightly terrified by the sight of the book. Therefore, first of all, it is necessary to help them to see in an overall way their favorable and unfavorable conditions in their study. That is to say, they must understand that there are difficulties in their study, but at the same time they must also understand that they have their own favorable conditions. Thus we can strengthen their confidence. According to our view, these comrades have the following three favorable factors in their study. First, they have rich practical experiences. Most of these cadres not only have experiences in revolutionary work and the management of political power but also in the socialist construction over the past 3 decades. It is true that many of them lack systematic thought with regard to these experiences and their understanding of the law of the movement of socialist economy is still vague, but their rich practical experiences are very useful in the study of economic theory. It is because the Marxist theory of reproduction is neither divorced from reality nor abstract, and because it is a theoretical generalization and summing up of the internal relations of objective economic movement, that it is applicable not only to capitalist socialized mass production but, with the exception of its capitalist nature, is also applicable to socialist socialized mass production. Therefore, it is not strange for them to study this. In particular, when their study is related to our experiences and lessons in economic construction, they are able to have a deeper understanding of Marxist theory. Second, they have a strong desire to study and they are highly aware in study. Most of the cadres took part in the study courses with various specific problems that they met in their work and in their minds, and they hoped to find answers to these problems through theoretical study. They also hoped to find a theoretical basis for the party's policies and principles. These comrades regarded "Das Kapital" as the fruit of Marx' 40 years of hard work and the invaluable theoretical wealth left by the revolutionary teacher for the working class. They said that as veteran party members and cadres, "it is good for us to read even the basic classical works of the revolutionary teacher." Consequently, they have a definite goal in the study of the theory of reproduction, they urgently felt a need for such theory and they are highly conscious in their study. Third, they have a certain cultural level and theoretical foundation. These comrades have taken part in revolutionary works for decades. Some of them had very little education before joining the revolution, but after joining the revolutionary ranks most of them have been able to reach the cultural level of senior secondary education through self-study or various short-term training courses. They have come to understand basic Marxist-Leninist principles, have a fairly high level of understanding of policies and a strong ability to analyze problems.

The above-mentioned favorable conditions are the cadres' internal foundation for studying well the Marxist theory of reproduction. To clearly point out these favorable conditions is helpful in mobilizing these cadres' initiative in the study. At the same time, we also fully estimated their difficulties in reading this book and consequently we gave them coaching to help them display their advantages and overcome difficulties and shortcomings.

2. Grasp Basic Principles Through Reading Original Works

In "Das Kapital," Vol 2, Marx systematically and scientifically analyzed the law of capitalist reproduction and this is one of his brilliant contributions. But this volume was compiled by Engels according to Marx' manuscript after the latter had passed away. Some theses are quite dispersed. The outline is aimed at concentrating these theses, but still it has the features of a manuscript and, in addition, it is a translated version. Consequently, these cadres are not used to reading such a book. Therefore, another important problem that has to be resolved is how to help them grasp the main points in the course of reading, grasp basic principles and spend less time on minor questions. For this purpose, we compiled a coaching program with the outline of "Das Kapital," Vol 2. This program does not explain the original work paragraph by paragraph, nor is it divorced from an explanation of the principles of the work. On the contrary, it is based on the original work. First of all, it summarizes the contents of each article into several basic principles and then it basically follows the sequence of ideas of the original work to explicitly explain each basic principle. The explanations include major contents, practical significance and answers to questions. The main task of this coaching program is to draw out the basic viewpoints of the original work, explain the difficulties that are found in the process of reading it, expound the realistic significance of principles and help the cadres to overcome obstacles in reading so that they will be able to grasp the core of the work from the point of combining theory with practice. Many comrades did not understand the book after their first reading, but when they read the book after reading the coaching program outline, they became more aware of the main points of the book. We also gave them coaching in class so that they would understand basic principles when they are listening or reading.

3. Correctly Understand the Method of Explaining Abstract Things in a Concrete Manner and Understand the Meanings of Symbols, Formulas and Concepts So As To Understand the Book

In the course of reading, the comrades find that, with the exception of a few sentences that are difficult to understand, they usually have the following two difficulties.

First, they are not accustomed to the Marxist method of explaining things by going from abstract to concrete forms. In our life, we usually come to know things by going from the concrete to the abstract. But when Marx was explaining the results of his theoretical study, he did so from the abstract to the concrete. Thus this method of explanation is contrary to our way of understanding things. Many comrades were not accustomed to this when they began their study and it seemed to them that Marx was explaining things in a roundabout way. Therefore, in the course of coaching, we explained to them that Marx used different methods in studying problems and explaining them. He did not just explain things repeatedly; he explained things from different aspects and used the method going from the abstract to the concrete. For example, the explanation of capital circulation in the first section is rather abstract and difficult to understand; the explanation of capital turnover in the second section is more concrete. The explanation of simple reproduction in the third section is relatively abstract but the analysis of expanded reproduction is more concrete. Of course, in order to understand and grasp the Marxist abstract method it is necessary to read it repeatedly and conscientiously think about it. We will be able to understand the Marxist method of analyzing things from the abstract to the concrete only when we are willing to really study hard. That is to say, we must first of all grasp the nature of things one link after another and go deeper and deeper so that we will be able to gradually approach reality and become invulnerable. The comrades said: "On the first reading we understand nothing; on the second reading we are a little bit enlightened; on the third reading we come to understand the value of the study." The training courses are very helpful for these comrades in improving their capacity for logical thinking and their theoretical ability, and in overcoming their one-sidedness of considering things as they stand. Consequently, they have become more interested in theoretical study.

Second, at first they did not understand the symbols, formulas and figures used in the Marxist theory of reproduction. This was because these comrades have a weak foundation in foreign languages and mathematics. Accordingly, in compiling coaching material or in carrying out teaching, we taught them the pronunciation of symbols written in foreign languages and their meanings.

In order to deal with symbols, we also guided them in combining Marx' literary analysis with the meaning of formulas. When some cadres came to understand the economic relations reflected by formulas, they no longer felt that these formulas were abstract and hard to understand. On the contrary, they found that Marx was able to summarize the complicated relations to scientifically and accurately reflect the law of the process of reproduction. Many comrades said that the understanding of principles is helpful for them in understanding the economic implications of formulas and figures, and with the understanding of formulas they are able to grasp the basic principles even more tightly. They said: "The formulas of reproduction are marvelous. When we are carrying out our work according to these formulas, our economy will be able to develop smoothly, but when they are violated the development of our economy cannot but meet with obstacles. Economic law is merciless." Many comrades made calculations using the 5-year expanded reproduction diagrams worked out by Marx. After making the calculations, they had a better understanding of the relations by which the two big categories condition each other in the process of expanding reproduction. They said that they will always remember "proportionate balance."

In order to help these cadres to understand the meaning of some concepts and spheres, we also held seminars in basic knowledge as an additional means of teaching some of the basic theories. Most comrades had never read volume two of "Das Kapital" and therefore in the course of reading, they could not understand some basic concepts and spheres that are already analyzed in volume one and, as a result, they had some difficulties in their study. Because training courses are given only for a short period, it has been impossible to teach systematically. Therefore, we introduced to them the spheres of commodities, currencies, capital and surplus value through the form of basic knowledge seminars. In this way, we are able to help these cadres, who had never studied basic knowledge, to master it while those who had studied were given the chance to study it again. The comrades said that such a method is imperative because it links the earlier with the later.

4. Combine Theory With Practice, Sum Up Experiences and Guide Work

Combining study with practice is a basic principle in the study of Marxist theory. First of all, we will be able to understand basic principles only when we are able to combine theoretical study with practice. In "Das Kapital," Vol 2, Marx expounded the general principles of social reproduction very freshly, profoundly and abstractly. If we divorce our study from reality, we will find it difficult to understand such principles. Once we link the study with our experiences we will understand them at once. The cadres said that when they read the book just for the sake of reading, they felt that they were isolated behind covered windows and could not see things clearly, but when they linked theoretical study with practice, it was as if they were opening the windows and they could see things clearly. They happily said that following their study of the book in regard to the theory of reproduction, they can clearly see the picture of the whole of socialized mass production. Thanks to the study, they have been able to understand such questions as the circulation and turnover in the economic activities of each enterprise, the movements of reproduction of the whole society that is formed by the interwoven turnover of enterprises and also the conditions that are needed for carrying out social reproduction smoothly. It is as if they are standing at the top of a mountain to view the panorama.

In addition, the purpose of studying theory is to use it while the process of combining the study with practice and summing up experiences is also the process of mastering and making use of theory. Therefore, when we were introducing some basic Marxist principles, we spared no efforts to combine this course with major experiences and lessons in our socialist construction so as to explain the realistic significance of these principles and guide the cadres in combining theory with practice. These comrades held that studying the Marxist theory of reproduction is of particular significance. In the past, many comrades knew the "how" of the experiences and lessons in our economic construction but did not know the "why." But this time, following their study, they have come to understand that the previous mistakes in the economic construction were caused by the violation of the general law of social reproduction expounded by Marx. As a result, they have a deeper understanding of the correctness of the party's line and principles that have been defined since the 3d Plenary Session of the 11th CCP Central Committee. They also found that the 10 principles for economic construction put forth by Comrade Zhao Ziyang in his report on government work accord with our national conditions and each has its own theoretical foundation. If we are able to follow this road, we will be able to carry out our socialist construction healthily and smoothly. This method of study, which is linked with reality, has made the cadres fully confident about the future. Many comrades said that the decision taken by the CCP Central Committee for mid-level cadres to study the Marxist theory of reproduction is of strategic significance in our party's ideological and theoretical construction in the new era.

CSO: 4004/31

QUESTION: WHAT IS MULTICHANNEL COMMODITY CIRCULATION AND WHY MUST WE PRACTICE IT, AND WHY IS STATE MONOPOLY OF GRAIN PURCHASE AND MARKETING A LONG-TERM POLICY?

Beijing RED FLAG in Chinese No 5, 1 Mar 82 pp 29-31

[Article in "Questions and Answers" column]

[Text] Question: What is multichannel commodity circulation and why must we practice it?

Answer by Wan Dianwu [5502 0368 2976]: Commodity circulation channels mean the routes, processes and links through which commodities pass from the producer to the consumer. In the 1950's when economic sectors with various types of ownership coexisted in our country, we practiced multichannel commodity circulation. But owing to interference from the "left," the state trade organs had a virtual monopoly in this field, namely, commodities circulating through virtually only one channel. This adversely affected the development of production and caused inconveniences to people in their daily lives. Since the 3d Plenary Session of the 11th CCP Central Committee, we have emancipated thought, adopted more liberal policies, learned lessons from our experience with the problems confronting our country in regard to commodity circulation channels, and gradually revived and developed commodity circulation through many channels.

At present, the many commodity circulation channels in our country can be classified in different ways. According to the developmental level of commodity exchange, they can be put into two classes, namely, direct circulation channels, which means that production and commercial distribution are carried out by the same entity (such as fair trade, commercial distribution by producers themselves and so on) and indirect circulation channels, which means the division of labor between production and commercial distribution by using trade organizations as the media for commodity circulation. According to how commodity circulation is administered, they can be divided into planned channels and channels not subject to central planning, the former referring to the channels through which commodities essential to the national economy and the people's livelihood circulate and the latter referring to the channels through which commodities not subject to central planning circulate. For example, three categories of industrial products which might be distributed by trade organs on a selective basis or by industrial enterprises themselves; three categories of agricultural sideline products, which might be transacted at negotiated prices, and so on. According to the nature of the commercial enterprises which handle commodity circulation, these channels can be divided into four groups, namely, state trade, collective trade, individual trade and joint venture trade. The multichannels which we often talk about are, in general, of the last kind.

Why must we practice multichannel commodity circulation? The main reasons are:

First, there is a great disequilibrium between the regions and departments of our country, the scale and degree of development of commodity production and commodity exchange being quite different. In order to adapt ourselves to this uneven development of productive forces, we must practice multichannel commodity circulation. In our country, where 80 percent of the population engages in agriculture, mainly by manual labor, the commodity rates of various agricultural products, native and special local products, and household sideline products vary greatly. Therefore, we need many channels for goods to circulate between urban and rural areas and for goods to be exchanged between peasants to satisfy each other's wants. If we were to rely on state trade organs and supply and marketing cooperatives alone for commercial distribution without providing peasants with thousands of trade fairs so that "sellers can find places to sell and buyers can find places to buy," we would seriously frustrate peasants from boosting diversified economic activities with enthusiasm. The same situation faces our industry, which has a large number of enterprises scattered over a vast area and has a large variety of products. The small enterprises, which make up a large proportion of our industry, especially require responsive and diverse channels for marketing their products and securing supplies of raw materials and other inputs. In the past, too many agricultural and industrial products were subject to state trade monopoly, which lacked flexibility. This adversely affected the development of production and the improvement of the people's life. Since the 3d Plenary Session of the 11th CCP Central Committee, the relative proportions of agriculture, heavy industry and light industry in our national economy have been becoming more and more rational, and the output of agricultural products and light industrial products has been growing gradually. At the same time the market has become more prosperous and stable, and the commodities subject to state trade monopoly or quotas have been diminishing. As regards the commercial distribution of agricultural products, there are the state trade monopoly, state purchase quotas and purchases at negotiated prices. As regards the commercial distribution of industrial products, the state has ceased to act as the sole agent. It has changed to unified purchases, unified marketing and unified allocation, planned purchases, purchases by orders and selective purchases. As a matter of fact, multichannel commodity circulation has substantially contributed to making the market brisk and to accelerating commodity exchange.

Second, in our industry, agriculture and trade, state ownership, collective ownership and private ownership coexist. The exchange relationships between economic sectors with different ownership systems and those between units under the same ownership system are multifold and complex. Under these circumstances, limiting commodity circulation channels to a trade monopoly by state-owned trade organs is far from satisfactory. Besides, having their own particular economic interests, industrial and commercial enterprises wish to enjoy a reasonable degree of autonomy in marketing products and purchasing raw materials and in other material inputs. If these activities are overcentralized, the enterprises will be frustrated in displaying enthusiasm and initiative. In order to redress this error, an experimental reform has been carried out in quite a number of state industrial and commercial enterprises in recent years. This has involved granting them greater autonomy. Industrial enterprises now have the power to sell their own products once they have fulfilled the state purchase plans. The commercial enterprises now have the powers to purchase goods on their own. Thus appropriate diverse channels are required for commodity circulation.

Third, there are thousands and thousands of different kinds of commodities, each of which has distinct features with regard to production and consumption. The production and commercial distribution of commodities vary according to whether they are industrial products or agricultural products (especially fresh and live products), big commodities or small commodities, commodities under centralized production and state allocation or under decentralized production and distribution, necessities of life such as grain and other major foodstuffs or consumer durables such as watches and television sets, and so on. Judging by the present capacity of our state trade organs with regard to their organization, management and administration levels, storage and transport facilities, only if we practice multichannel commodity circulation can we ensure that commodities can, in accordance with their peculiar properties and their production and distribution processes, pass from the producer to the consumer by the shortest routes, through a reasonably small number of links, within a shorter period of time and at the cheapest cost.

The experience of the past 3-odd years has proved that practicing multichannel commodity circulation has played a positive role and achieved remarkable results in enhancing the relationship between production and commercial distribution, boosting production, making the market brisk and abundant in goods, making life convenient for the masses, improving enterprise management and so on. Of course, since our administrative work has not been able to keep pace with the developments in commodity circulation because we have started using multichannel distribution and for some other reasons, there has been some confusion and problems in the market. However, from the overall view, "briskness" is the main feature while "confusion" is a phenomenon of secondary significance. Besides, practicing multichannel commodity circulation does not necessarily result in "confusion." The market can become "brisk without being in confusion," and more thriving and stable if the governments at all levels make a great effort to strengthen administration. At the same time they must make full use of taxation, interest rates, pricing and other economic levers as regulators and checks, and ensure that the state commercial enterprises play the leading role in commodity circulation.

Question: Why is state monopoly of grain purchase and marketing a long-term policy?

Answer by Liang Yan [2733 1693]: The policy of state monopoly of grain purchase and marketing comprises the planned purchase by the state of rural surplus grain and the planned supply by the state to the urban and rural population, who need grain. Practice has proved that this policy has played an important role in providing all the people in our country with conditions for a stable life, in stabilizing market prices and in ensuring socialist construction. Must we maintain the state monopoly of grain purchase and marketing now that the grain supply situation is better than before? The answer is yes. The reasons are:

First, although the situation in grain supply is better than before, grain supply is far from ample. The population of our country is 1 billion, and thus providing grain is a matter of top priority. Since new China was founded, grain output has substantially increased. Especially since the 3d Plenary Session of the 11th CCP Central Committee, owing to the adoption of more liberal rural economic policies as well as the implementation of various forms of the production responsibility system, the peasants' enthusiasm for work has been greatly aroused. As a result, not only have diversified economic activities developed remarkably, there has also been quite a big increase in grain output, and in the majority of our rural areas, an increase in grain consumption. However, the grain output per capita of our country still is at a very low level. In 1979, when the grain output, including grain for food, fodder, seeds and industrial use, reached an historical high of 664.2 billion jin, the output only amounted to 688 jin per capita, over 100 jin below the lowest level in the world, not to mention the developed countries. To a fairly large extent, our agriculture is subject to climatic changes and therefore the yields are not very stable. In good harvest years, the situation is not too bad, but in lean harvest years, a reduction in grain output will make the grain supply somewhat tight for all who need it.

The level of our country's agricultural output is not high and the commodity rate of grain is very low. At present, the grain purchased by the state by procurement and at negotiated prices only represents about 20 percent of the total annual grain output, and if we deduct the grain that the state sells back to the rural population, the commodity rate of grain is only about 15 percent. Yet this rate can hardly be raised quickly in the coming years. Because the rural population is growing, the peasants want more grain for food and other uses so as to raise their living standard moderately, and more grain has to be used as fodder so as to cope with the needs of developing livestock husbandry. On the other hand, with the proliferation of the urban population and with the development of industrial production, in particular, that of the foodstuff processing industry and other light industries, there will be a growing demand for grain by towns and industries. Moreover, with the diversification of rural economic activities, that grain supplied by the state to teams engaging in cultivating industrial crops, exploiting forests, raising livestock, and working in the salt and fishery industries has greatly increased and more grain has to be sold to reward the sale of agricultural sideline products to the state. In this connection, taking live pigs as an example, the state now has to earmark 10 billion jin per annum for this purpose, an increase of 60 percent over that of 1978. These are the reasons why the demand for commodity grain in our country has been growing year after year. Therefore, the contradiction between the supply of and demand for commodity grain is still fairly sharp in our country, and a certain amount of grain still has to be imported every year.

Since grain output per capita is not high, determining how much of the annual grain output is to be left with the peasants and how much is to be purchased by the state is a very important policy issue. Handling the matter properly will contribute to consolidating and strengthening the alliance of peasants and workers and to building socialism. Otherwise, it will probably be detrimental to the interests of peasants, or will affect grain supply to urban, industrial, mining and industrial crop growing areas. Practice has proved that only if we firmly maintain the state monopoly of grain purchase and marketing, resorting to state planned purchase and state planned supply (or state supply quotas), will we be able to distribute grain according to a correct ratio between the amount of grain subject to state purchase and the amount to be retained by peasants, and thus ensure that everyone in our country has enough grain to eat.

Second, being a socialist country, we must stick to the principle of developing the national economy according to plan while using market regulators as auxiliary instruments. Although the production responsibility system has been implemented in rural areas in various forms, the rural economy remains a collective economy based on public ownership of land and other basic means of production. Therefore, it must be subject to the guidelines and restraints of state planning with regard to both production and distribution. Among the necessities of life, grain is an item of utmost and vital importance to both the rural and the urban population. Therefore, it must be distributed mainly according to plan. Particularly because the contradiction between the supply of and demand for grain is fairly sharp, the policy of state monopoly of grain purchase and marketing must be pursued with determination. If the production and consumption of grain were entirely regulated by market forces, peasants would, under the influence of the law of value, grow more crops which would bring in more money. As a result, agriculture would fall into a state of blind development and anarchy, ceasing to be a secure source of grain supply for the state and affecting the normal supply of grain to the urban population as well as to that part of the rural population which does not have sufficient grain. Besides, grain prices would fluctuate constantly in accordance with the supply and demand relationships, falling to a level unbearable to peasants in years of good harvest and soaring in years of lean harvest. This would run counter to the interests of both the grain consumers in urban and rural areas and the peasants who grow grain. Fluctuating grain prices would destabilize the prices of other foodstuffs. The workers in our country are receiving quite low wages. Quite a large percentage of their wages is spent in buying grain and other foodstuffs. Under these circumstances, if grain prices were unstable, the urban population could hardly lead a stable life and the life of the peasants who do not have enough grain would also be adversely affected. Finally, if grain prices were not stable, the market prices of other commodities would be unlikely to be stable and it would be hard to realize a socialist planned economy. Therefore, whether the policy of state monopoly of grain purchase and marketing should be pursued is an important issue which concerns socialist economic construction, and the stability and unity of our country. Instead of being an expedient, state monopoly of grain purchase and marketing is a long-term policy which must be pursued with determination.

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INDUSTRIAL ENTERPRISES SHOULD BE RECTIFIED IN A COMPREHENSIVE MANNER

Beijing RED FLAG in Chinese No 5, 1 Mar 82 pp 32-36

[Article by contributing commentator]

[Text]

I

The CCP Central Committee and the State Council have decided to carry out rectification of all state-run industrial enterprises in a planned, systematic and all-round manner by stages and groups in the next 2 to 3 years. This decision is extremely timely, and it has great significance for better implementing the party's policy of readjusting, restructuring, reorganizing and upgrading the national economy, fully bringing the potential of existing state-run enterprises into play, improving economic results, promoting a fundamental turn for the better in the condition of our national economy and accelerating the development of socialist modernization.

Since the smashing of the "gang of four," industrial enterprises have already carried out many rectifications. Why are we bringing up the question of rectification again at present? This is because although the impressive results obtained from the rectifications of the past have played a promotional role in production, progress in the work of rectifying the enterprises is unbalanced. Only a handful of enterprises have been properly rectified. Most of the enterprises are still in an intermediate state and some have not conscientiously carried out rectification. In these enterprises, management is chaotic and serious problems exist. Even among the enterprises in which rectification has been carried out better, not all the tasks have been done solidly, and relative to the demands of modern socialist enterprise management the gap is still very wide. We must see that such phenomena as weakness and laxity in leading bodies, weak ideological and political work, flabbiness, overstaffing, slack labor discipline, poor product quality, serious waste and poor economic results exist in varying degrees at present in many of the enterprises. Because of the impurity of their leading bodies, a handful of enterprises have been corroded by capitalist ideas. They have shown unhealthy tendencies, violated financial discipline and engaged in such illegal activities as fraud, tax evasion, retention of profits which ought to be turned over to the state, embezzlement and corruption and graft. Unless these problems are solved, it is impossible to strive for a fundamental turn for the better in the condition of the national economy, and it is even more impossible to really build our enterprises into modern socialist enterprises. Therefore, state-run industrial enterprises must continue to carry out rectification on the basis of the rectifications already carried out.

This rectification is different in character from the rectifications of the past. The rectifications of the past were mainly centered on bringing order out of chaos in various aspects of ideology, theory, policy and organization and correcting the things turned upside down by the "gang of four" in various tasks of the enterprises, removing the bad people who had worked their way into the leading bodies and restoring normal production order and management systems in the enterprises. Therefore, this kind of rectification is different. This kind of rectification is carried out under the condition of the unremitting deepening of the readjustment of the national economy, the continued progress in the restructuring of the economic management system and the steady development already obtained in the national economy. This rectification requires us to mutually integrate the series of tasks centering on readjustment, which was proposed at the 3d Plenary Session of the 11th CCP Central Committee. These tasks include expanding the decisionmaking power of the enterprises, implementing the economic responsibility system, promoting the reorganization and amalgamation of enterprises, establishing and perfecting the factory director responsibility system and the workers' congress system under the leadership of the whole party, improving and strengthening party leadership, strengthening ideological and political work and carrying out rotational technical and vocational training. It also requires us to tackle these tasks in a comprehensive manner based on the specific condition of various enterprises and on the order of importance and urgency. At the same time, it requires us to carry out an all-round rectification of the leading bodies, staff and workers' contingent, management system, labor discipline, financial discipline, party work style and ideological and political work. By means of the rectification, the leading bodies of various enterprises will be strengthened, production and technical management will be established on a solid foundation, various rules and regulations will be harmoniously coordinated, and problems in the implementation of the responsibility system will be properly solved. This will enable the management and administration work of the enterprises to reach a new level and there will be a notable improvement in economic results. This is therefore a comprehensive tackling of the problems of the enterprises.

II

In this all-round rectification, we must carry out building of the enterprises. What is the objective of the building? This objective has been put forward by the CCP Central Committee and the State Council: We must gradually build the enterprises into modern socialist enterprises with a high degree of material civilization and spiritual civilization and with distinctive Chinese features. To achieve this, all enterprises must make a success of the "three-builds" and fulfill the "six-good demands." The "three-builds" means to gradually build not only a democratic but also a centralized leadership system, to gradually build a Red and expert staff and workers' contingent and to gradually build a set of scientific and civilized management systems by means of the all-round rectification. By means of the "three builds," the "six-good demands" will enable the enterprises to correctly handle the economic relations between the state, the enterprise and the individual workers, outstandingly fulfill the targets of the state, attain good in taking into consideration the interests of the state, the enterprise and the individual workers, good in product quality, good in economic results, good in labor discipline, good in civilized production and good in political work, and become "six-good enterprises."

Gradually Build Not Only a Democratic But Also a Centralized Leadership System. This is determined by the nature of socialist enterprises. Socialist state-run industrial enterprises are enterprises owned by the whole people. All means of production belong to the whole people and the workers are the masters of the enterprises. The establishment of a leadership system in enterprises under the leadership of the party, giving full play to democracy and exercising centralized and unified command on a democratic basis, can fully reflect the superiority of the socialist enterprises. By means of rectifying the enterprises, we must build an efficient party committee good at unifying all the workers of the enterprises and at implementing the policies and principles of the party as well as the laws and regulations of the state. We must set up a unified system of command over production techniques and business management headed by the factory director. We must perfect the workers' congress system so that all the workers can genuinely exercise the right of running their own affairs. We must gradually bring about the revolutionization of factory-level cadres, lower their age and make them professionally proficient and knowledgeable. The posts of party committee secretaries should be held by party members with strong party spirit and good work style. They must be resolute and good at implementing the line, policies and principles of the party. They must possess a certain knowledge of production and management. They must be able to form close ties with the masses and to handle work in an all-round manner. The posts of factory directors (managers) must be held by comrades who can adhere to the four basic principles of the party, understand production techniques and relevant economic laws and who are good at management and administration. They must be honest and upright, good at forming ties with the masses, in good health and equal to the strenuous demand of leadership work.

Gradually Build a Red and Expert Staff and Workers' Contingent. The staff and workers of an enterprise are the masters of the enterprise. They are the mainstay for building socialist economy. This requires a staff and workers' contingent with high consciousness, fine technical know-how, strict discipline and good work style. Our working class has a fine revolutionary tradition under the leadership of the party. It has always been an outstanding contingent, imbued with creativity, which strongly loves the motherland and socialism and which is industrious and courageous. However, because of the sabotage of the "Great Cultural Revolution" over the years, this fine tradition has been greatly damaged and its cultural and technical level has generally fallen. We must carry out training and raise standards in a planned manner by means of the readjustment and construction. In the present readjustment, we must pay special attention to solving the following problems:

First, readjust labor organizations. The enterprise must organize production based on fixed personnel and quotas and resolutely overcome the phenomenon of overstaffing and sloppy work. The readjustment of labor organization must be carried out together with the setting up of personal responsibility systems. On the basis of raising the ideological consciousness of the workers, we must define the responsibility of every production post and work post, stipulate the quality and quantity standard for the personnel assigned in accordance with the demand for production skill and vocational work and gradually succeed in assigning qualified people according to a strict standard. We must try to make the best use of people so that everybody will do his best. The enterprise must readjust labor organization and management organs based on fixed staff and quotas. As for some of the surplus personnel, apart from arranging rotational training we can use some of them in strengthening social service organs and some can join labor service organs to open up and develop new avenues of production.

Second, carry out the training of all personnel in a planned manner. Carry out rotational training for the staff and workers by stages and in groups in a planned manner and keep on raising their ideological and political level as well as technical and vocational level. This must be a long-term and consistent system. In the future, all workers who newly enter a factory or who change their type of work must receive training and pass a test before they can take up their work. Major enterprises must set up training centers for their workers. Small and medium-sized enterprises which have difficulty in setting up training centers of their own may do so jointly or let the higher-level department concerned set them up on a unified basis.

Third, conscientiously readjust and strengthen labor discipline. Modern mass production cannot exist without strict discipline. We must energetically strengthen ideological education over the masses of workers and establish the habit of consciously observing labor discipline. We must set up a strict reward and punishment system. Workers whose labor attitude is good and who obey rules and regulations and do exceedingly well in their work must be commended and rewarded. As for those who have seriously violated labor discipline, the enterprise has the right to take economic or administrative action against them according to the measures provided. Those who refuse to mend their ways despite repeated warnings will be strictly dealt with and will even be asked to leave or be discharged. Practice has proved that the "workers' code of conduct" drawn up by the enterprise is an effective measure for educating the workers and strengthening labor discipline. The enterprise must also draw up an appropriate reward and punishment system in accordance with the demand of the "code" to ensure the implementation of the "code."

Fourth, conscientiously strengthen ideological and political education over the masses of workers. Apart from carrying out education on upholding the four basic principles and situations of a routine nature, the enterprise must also carry out patriotic education. By means of systematic political study, we must enable the broad masses of workers to understand clearly the distinction between socialism and capitalism and recognize the superiority of the socialist system. We must enable them to understand clearly the distinction between socialist enterprise management and capitalist enterprise management, recognize how to correctly handle the relations between the state, the enterprise and the individual worker, and become a qualified and exemplary socialist worker. We must pay particular attention to strengthening education over the young workers and raise the political quality of the staff and workers' contingent.

Gradually Build a Set of Scientific and Civilized Management Systems. At present, we must build the following four systems: 1) We must build an all-round planned management system aimed at fulfilling the state plan and satisfying the needs of society as much as possible. Planning work must be implemented in various departments and posts of the enterprise covering the entire process from planning to production and from selling to followup service. All personnel must strictly carry out production and work according to plan. 2) We must build an all-round quality control system aimed at developing new products and improving product quality. Whether or not the products will be suited to the market and whether or not products are of sufficiently high quality to satisfy the demand of the consumers are the principal hallmarks of the quality of enterprise management. All departments and personnel of the enterprise must really establish the concept of quality comes first and must always pay attention to quality throughout the process of production management. 3) We must build an all-round economic auditing system aimed at improving economic results and increasing the economic income of the state and the enterprise. 4) We must build a set of all-round personnel and labor management systems aimed at fully mobilizing the enthusiasm of the masses of workers. We must combine the training, assessment, promotion and selection of personnel to encourage the enterprising spirit of every worker and keep on improving the quality of the staff and workers' contingent. In order to achieve the above-mentioned objectives, we must also further perfect the fundamental work of enterprise management, perfect the primitive recording and calculating work and strengthen quota management work. We must set up and strengthen the responsibility systems at various levels and in various tasks. We must draw up various work procedures in the enterprise so that production techniques and various work procedures can be based on objective laws and can be carried out harmoniously and consistently. We must perfect the financial management system, strictly implement financial discipline, carry out work in accordance with the state financial system and put an end to waste. We must perfect the civilized production system.

Making a success of the "three-builds" and fulfilling the "six-good demands" will require a certain amount of time and the carrying out of a series of painstaking tasks. "A thousand-li journey is begun by taking the first step." What should we mainly grasp at the present stage in the all-round rectification of the enterprises? In his "Report on the Work of the Government" delivered at the Fourth Session of the Fifth National People's Congress, Comrade Zhao Ziyang stressed: 1) Strengthen and perfect the system of economic responsibility, improve the operations and management of enterprises and do a good job in overall planning, quality control and economic accounting. 2) Reorganize work units, arrange production according to a fixed number of workers and fixed quotas, systematically train all workers and staff and firmly overcome overstaffing and laxity in work. 3) Strengthen work discipline and strictly enforce regulations concerning rewards and disciplinary sanctions. 4) Strengthen financial discipline, improve financial rules and regulations and tighten financial control. To carry out the above tasks, special efforts must be made to reorganize the leading bodies by putting an end to laxity, flabbiness, overstaffing, and retaining people who are too old. At the same time, young and middle-aged cadres and technical personnel must be promoted to leading posts.

Proceeding from promoting and perfecting the economic management system is an important link in the present rectification of enterprises. Promoting the economic responsibility system is an extension as well as a development of the restructuring of such responsibility systems as expanding the decision-making power of enterprises made 2 years ago. The focus of expanding the decisionmaking power of enterprises is on solving the problems in economic relations between the state and the enterprise and arousing the enthusiasm of the enterprise. The purpose of carrying out of economic responsibility is to change the situation of egalitarianism with everybody "eating from the same big pot," so that the people will consciously concern themselves with the fruits of labor and thus solve the problem of properly arousing the enthusiasm of the workers in the enterprise. The industrial economic responsibility system is for integrating the economic interests of the enterprise and workers with the economic results realized from assuming economic responsibility, and fully arousing their enthusiasm so that they will exert themselves to make a success of production and business management and achieve the best economic results with a proprietary attitude. Some of the comrades have regarded the responsibility system as a matter of distribution of interests. This is incorrect. The economic responsibility system is an integration of responsibility and rights. The enterprise must first be responsible to the state. It must, in accordance with the demand of the state plan and the needs of the market, produce goods which are reasonably priced, attractive and readily marketable to satisfy the needs of society. For the sake of ensuring that the enterprise will fulfill its obligations, the state has given the enterprise certain power so that it can independently and effectively organize production, lower consumption, cut costs and improve economic results. The economic income created by the enterprise must first be used to make contributions to the state. Under the premise of increasing the income of the state, the enterprise may retain a bit more and distribute a bit more to the workers. Some of the enterprises have one-sidedly concentrated on profit without taking into consideration the demands of the plan and without paying attention to the interests of the state and the needs of society. They have blindly gone in for the production of highly profitable goods which are already in excessive supply, lowered product quality and even resorted to improper means to make higher profits. This method is extremely wrong and must be firmly corrected.

In rectifying the enterprises by proceeding from improving and perfecting the economic responsibility system, we must conscientiously solve the following three problems: 1) Integrate the implementation of the economic responsibility system with planned management. We must instruct the cadres and workers to establish the concept of planning, planned production and production based on the needs of society, and oppose clashing with the state plan as a result of unilateral pursuit of profit. 2) Integrate the implementation of the economic responsibility system with business management and make responsibilities and interests known to every worker. In this way, we will have a new motive force for encouraging everyone to improve business management, carry out technical transformation, raise quality, increase product variety and cut costs, and will not seek higher profit by improper means. 3) The income of the individual worker must be reasonable. At present the production level of our country is still very low and there is a serious shortage of investment funds. If the income of the individual worker is too high, not only can the supply of consumer goods not be guaranteed, but the state will also have no money to carry out construction. If production cannot go forward, the improvement of livelihood also cannot be guaranteed. Comrade Chen Yun said: We must eat and we must build. We must pay attention to these two things. If these three problems can be properly solved, they will contribute to the correct handling of the relations between the state, the enterprise and the individual worker, further tap the potentialities of existing enterprises, raise economic results and greatly benefit the country and the people.

III

This all-round rectification of enterprises involves various aspects of enterprise management, all the staff and workers of the enterprise, their spiritual features and management concepts as well as the task of restructuring the economic management system and readjusting the economy. Therefore, its scope and depth far exceeds the rectifications of the past. In order to carry out this readjustment smoothly, we must strengthen leadership, properly carry out all-round planning, link up the points and the areas and give guidance in different categories.

The work of the all-round rectification of enterprises is extremely important and arduous. The whole party must take this seriously and mobilize the masses. Party committees, people's governments and responsible departments at various levels must conscientiously instruct, supervise and help the enterprises to carry out rectification. First, they must carry out proper planning so that the approximately 2,000 hardcore cadres of enterprises throughout the country can conscientiously fulfill the task of rectification by stages and in groups within 2 to 3 years. Secondly, they must promptly sum up and exchange experiences in the work of rectification so that it will develop in a healthy manner. Furthermore, they must inspect and carefully check over those enterprises which have been rectified and help the backward units to make a success of rectification. It is necessary to properly coordinate the rectification carried out by the enterprises themselves with the instruction, inspection and approval of the higher-level departments.

To link the work at the points with that of the areas, it is necessary to first make a success of rectifying the points. The enterprises listed as key points for carrying out rectification are mostly backbone enterprises which have an important bearing on the national economy and the people's livelihood. Their output value and taxable profits turned over to the higher authorities occupy an important position in the country. Making a success of the rectification of these enterprises plays a very important role in stimulating our economy and increasing accumulation for the country. The purpose of grasping the points is on the one hand to make a success of the rectification of key enterprises, and on the other hand to create experiences for directing work in other areas.

In order to make a success of the rectification of enterprises, economic leadership departments at various levels must assign responsible cadres as well as provide the necessary professional cadres and party and mass organization cadres familiar with production, technology, business management, wage system and financial accounting, organize them into investigation teams for selected spots and send them to the backbone enterprises by stages. In turn these cadres must conduct investigations and studies, provide necessary guidance, help solve problems and promptly sum up experiences to direct rectification work in other areas under the unified leadership of their respective local party committees and people's governments. In other areas, it is mainly necessary to arouse all the workers of the enterprises, conscientiously study the guidelines of the relevant instructions of the Central Committee, fully bring their initiative and enthusiasm into play in the rectification work and consciously carry out rectification in accordance with the demand of the Central Committee.

Regardless of whether rectifying the points for the other areas, it is necessary to rely on all the staff and workers to carry out rectification under the leadership of the party organization of the enterprise. The party committee of an enterprise is the basic-level organization of the party in the enterprise and its core of political leadership. In the all-round rectification of enterprises, the party committee of the enterprise has an unshirkable duty as a pacesetter and must shoulder the responsibility of leadership. In some of the enterprises, the party committees themselves may have this or that kind of problem, but this should not be used as an excuse to prevent them from leading the rectification of the enterprise. They should carry out a self-revolution and consciously set an example. They should be determined to remold themselves, purify party spirit and correct party work style in the rectification, build the party committee into a strong and militant basic-level organization in line with the demand of the Central Committee and lead the broad masses of workers of their own enterprise to make a success of the work of rectifying the enterprise.

When carrying out rectification, all enterprises must proceed by mobilizing the masses and carry out political and ideological education of the broad masses of staff and workers in accordance with the guidelines of "report on the question of learning from Daqing in industry," a circular of the party group of the State Economic Commission transmitted by the CCP Central Committee. In this way they will clearly understand the fine quality, glorious tradition and great historical mission of the Chinese working class, consciously uphold the four basic principles, implement the policies and principles of the party, correctly handle the relations between the state, the enterprise and the individual worker, and actively take part in and properly carry out the work of consolidating the enterprise with a proprietary attitude.

At the same time, it is also necessary to direct the broad masses of staff and workers to develop campaigns for emulating, learning from and overtaking the advanced and helping the less advanced and for creating "six-good enterprises." Socialist emulation campaigns are an important method for arousing the broad masses of staff and workers to give full play to their wisdom and ability in building socialism, as well as an important means for encouraging them to learn from and help one another, overcome their shortcomings by learning from the strong points of others and raise their standards both in production and business management. Dialectical materialism informs us that the development of objective things is always unbalanced and contradictions between the backward and the advanced objectively exist. The development of campaigns for emulating, learning from, overtaking and helping will keep on exposing contradictions, discover potential, encourage mutual help and promotion and enable the backward to catch up with the advanced and the advanced to become more advanced. In the rectification of enterprises, the development of emulating, learning from, overtaking and helping activities aimed at creating "six-good enterprises" will focus the enthusiasm and wisdom of the masses on the basic demands of enterprise rectification and thereby expedite its penetrating development.

This all-round rectification of enterprises is a profound change. After all-round rectification, the enterprises must change the backward state of business management and establish an enterprise business management system with distinctive Chinese features in keeping with the demand of modernization. The principal hallmark for measuring the success of enterprise rectification depends on the quality of products, the volume of output, the level of economic results and the amount of contribution to the state. To fulfill this arduous task, there must be active participation from the broad masses of staff and workers on a conscious and voluntary basis. The basic policy of our party is: Wholeheartedly rely on the workers to run the enterprise properly. We must mobilize the broad masses of staff and workers to change their own backward features and to struggle toward the great goal of making a success of the "three-builds," attaining the "six-good demands" and building a socialist modern enterprise with a high degree of material civilization and spiritual civilization and with distinctive Chinese features.

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CORRECTLY HANDLE THE QUESTION OF MARRIAGE AND FAMILY

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[Ideological commentary by Wang Chunyuan [3769 2504 0337] and Chen Zheguang [7115 0772 0342]]

[Text] The happiness of every household and the personal benefits of people from all walks of life hinge on marriage and family, which affect the prosperity of the nation and the state. All along, our party and state have attached great importance to marriage and family. Under the new historical conditions of strengthening China and of marching toward the four modernizations, there is great significance in correctly handling questions concerning marriage and family.

In the wake of the victory in socialist revolution and the development of socialist constructions, the family in the present state is basically different from that in the old society. But it is still the cell of our society. As the basic unit of people's life, the family still shoulders various social responsibilities. Therefore, whether the question of family and marriage is properly handled has a direct effect on the social development of our state. It is hard to imagine that a vigorous, happy and harmonious family cannot be found in an energetic and happy socialist society. In our state and society, the family is not something insignificant, as some people believe, and can be weakened and destroyed at will. On the contrary, it is a social entity that must be consolidated and developed. We strongly oppose the idea of placing the benefits of a small family above those of the state and the idea of upholding tenaciously the feudal family. For instance, when a person gets to the top, his whole family gets there with him, or in order to get some benefits for the family, the person will cultivate somebody and get in by the back door, or even make use of his position and power to gain personal benefits. This improper social atmosphere, which is related to the old traditional family concept, has seriously damaged the party's morale and the people's customs, as well as corroded the body of the socialist family. We advocate a complete rupture from such a concept of the family, which is incompatible with socialism. We advocate serving the people and we advocate socialism and communist thought. However, this is not done to weaken the family in a socialist state but to consolidate and develop a socialist family. Practice has fully proven that the establishment of the socialist ownership system in our state and the continuous eradication of the old traditional family concept have not weakened the family. On the contrary, the socialist family relationship has generally been built up and improved. It is foreseeable that the victory and progress of socialist modernization will bring to the socialist family profound changes--not dilution, but an overall enhancement and great improvement of its quality. The crisis of family disintegration in developed capitalist countries is not an inevitable outcome of the scientific and technological revolution, but the result of the disease of capitalism and the malignant devastating effects of selfish utilitarianism. The spiritual culture and material construction of our socialist state are basically different from those of the capitalist countries. They will bring the family in our socialist state to the perfect conditions predicted by Marxism.

The family exists in society. It is interwoven with and closely related to the state. Social troubles will trigger family discord, which in turn will disturb the tranquility of the society. Therefore, family harmony and unity is beneficial to social stability and unity. Family harmony and happiness is a requirement of the four modernizations. A happy family is where people rest happily, where they conserve their strength and store up their energy to fight new battles. It is where they can study quietly and acquire new technical ability for the cause of modernization, where they consolidate their confidence and determination to proceed forward with support and encouragement from their family members. It is very difficult for a person to wholeheartedly participate in modernization if he is in a chaotic and awkward family situation. The responsibility for nurturing a new socialist generation rests upon the family as well as on the society. The family is the cradle of education, and parents are the first teachers of their children. The intimate relationship between parents and children makes family education vital to the healthy development of children, adolescents and youths. Facts show that 8 or 9 out of 10 youngsters who go astray have had inadequate family education. Giving good education to one's children not only fulfills a family's responsibility to the state and the society but also plays an important part in solving the social problem of juvenile delinquency.

We must fully recognize the social significance of the marital relationship before we can correctly handle questions concerning family and marriage. Marriage is not only an important event in an adult's life, it is also an action with comprehensive and profound social content. When a couple gets married, they have obligations to each other as well as to their children. These obligations are more important compared to others in a modern society. Lenin once said, "Love involves the lives of two people and creates a third new life. As a result, love has a bearing on the society and produces a social responsibility." (Taken from K. Zetkin: "Impressions of Lenin," p 70)

The marital relationship affects the personal benefits of the husband and the wife. It also has a direct effect on the benefits of other family members and the society. When a couple gets married, they are held responsible for the legal and moral obligations to each other, to the parents of both sides and to their children. To think that marriage is only a personal affair, or to set love against responsibility, matrimony against obligations, or to pursue so-called "pure love," which is irresponsible, undemanding and immoral, is actually a reflection of the pernicious influence of the decadent "sexual emancipation" or "sexual freedom" of the bourgeoisie. This is incompatible with the concept of socialist love and marriage. Every citizen should resist and oppose the propagation and development of this ideology, which spoils the socialist marriage and family relationship and poisons the common practice of society.

Freedom of marriage is the sacred right of every citizen and it should be protected by law. The socialist system has, moreover, provided the conditions for this freedom. However, under the influence of the old way of thinking and customs, the freedom of marriage is interfered with, and arranged, forced as well as mercenary marriages and illegal practices are prevalent. We should protect in real earnest the legal rights of the married couple by fighting persistently against such illegal practices. But such freedom does not mean that one can be irresponsible to others or to the society. Neither can he play fast and loose, or go beyond legal and moral ties. Under the socialist system, freedom of marriage must be built on the foundation of a common ideal, and a couple must assume the same obligations to each other and to society. Intelligence and devotion to one's work play the most important part in choosing husbands and wives. Judging people solely by their appearance without giving heed to aspirations and virtues, or even establishing love on the basis of money and power, is by no means a free marriage. Young people with high aspirations and ambitions should treasure freedom of marriage and make proper use of it. They should not yield to the temptation of money, material things and power, and pander to the mercenary marriage in a disguised form. They must not be defeated by the unhealthy trend of capitalist liberalization. They should not adopt a cynical and imprudent attitude toward love and marriage.

We should not take marriage as the end of love but rather as a continuation or intensification of love and a starting point for further development. As partners in life and comrades in work, husbands and wives have deep affection for each other and a very intimate relationship which should be diligently cultivated and nurtured. In this respect, the principle of "mutual respect, mutual care, mutual trust, mutual encouragement, mutual help, mutual concession, mutual understanding and mutual consolation" between husband and wife advocated and practiced by the late Premier Zhou Enlai and his wife, Comrade Deng Yingchao, is exemplary and worth following. If both husband and wife follow this principle persistently, not being chauvinistic, overweening, or self-interested and overlooking the partner, their tree of love will flourish and they will live happily together forever.

Life, of course, is very complicated. Conflicts are sometimes unavoidable even between very harmonious husbands and wives. Whenever discord arises, both sides must remain cool. No one should be so impatient as to provoke the other party and aggravate the situation, much less lightly propose divorce, which would end the marriage, break up the family and deprive the children of their parents' care and education. This is an important question concerning the benefits of both sides as well as children and society. According to the provisions of Chinese marital law, no divorce will be granted by the court merely at the request of either party. Divorce will be granted or rejected only after the judicial court has clarified the facts, ascertained the rights and wrongs, and ruled that the relationship between the husband and the wife has been broken. The aim of exercising the freedom of divorce is to enable husbands and wives who no longer have affection for each other and who can no longer continue to live together, to end legally a marriage which exists only in name, to rid both parties of pain and reestablish another happy matrimonial family life. It is certainly not to grant legal sanctions to those who are fickle and abandon their spouse and children and spoil the happiness of other families. Therefore, anyone who has a family must take divorce seriously. One has to learn the proper ways to handle marital and family discords, to promote one's love of his or her spouse and develop a happy family.

Since the relationship between marriage and family is a very special one, which is most intimate, tender and delicate, people must correctly handle it by conscientiously observing the law as well as abiding by the moral code. Marital morals are a set of principles which are formed by personal precept and social norms, and a married couple must follow them. The characteristics of marital morals in a socialist state are freedom of marriage, monogamy, equality of the sexes, protection of the legitimate rights of women, children and the aged, and the implementation of family planning. They also ensure that family members respect, love and help one another and are of one heart and one mind. These are the supreme forms of marital morals in the social history of human beings to date. This set of marital morals is in harmony with the socialist marital law except that it is not mandatory but is more demanding than the marital law. Conscientiously handling the relationship between marriage and family with socialist moral standards of marriage is the quintessence of the construction of our socialist spiritual civilization. It is also an important factor for the construction of our material civilization.

At present, socialist marital morals are prevalent in China. However, the feudal marital system--unequal status of men and women, arranged marriage, being well-matched--still exists in China and is still seriously poisoning people's ideas and controlling the behavior of certain people. Furthermore, our state has been a semicolonial and semifeudal society for more than a century. Under the influence of the capitalist style of living imported through the open-door policy, capitalist marital morals of being money-oriented, philandering and harming others to benefit oneself have eroded people's minds and have become the dogma of some people. Such practices should be restrained by correct laws and should also be corrected by justified social opinion. We must make use of these two weapons of law and public opinion to create a healthy atmosphere of abiding by socialist marital morals. At present, anyone who exercises illegal practices in marriage must be punished so as to serve as a warning to others. At the same time, people of high socialist morals should be publicized and immoral practices must be severely criticized. Socialist marital morals should be persistently and distinctively promoted. Socialist marital morals cannot tolerate setting the wretchedness of capitalist marital morals against feudal marital morals, or vice versa. Every citizen in our socialist state must understand that the practice of harming others to benefit oneself, being fickle in affection, wrecking another family as a third party, ill-treating or abandoning children and the aged, and seeking happiness at the expense of the troubles of other people are all contradictory to socialist marital morals. Abandoning one's spouse owing to a change in position and conditions is by no means permitted in a socialist society. Are we going to tolerate the legal existence of a modern Chen Shimei who disowns his wife? A person who is immoral in marriage can never be strong in politics. A person who heartlessly abandons his family for his own interests will never really love his people or the cause of our party. All communists, the party's leading cadres in particular, should take the lead in abiding by socialist marital morals and in enforcing marital law. They should not arrange their children's marriage and should not be extravagant in marriage. They should not do anything that goes against socialist marital morals. They should promote the party's style in this respect and initiate the well-being of social practices. Under the direction of the party, the women's federation, the CYL, trade unions, cultural organizations and the educational department have paid attention to leading people to comply with socialist marital morals. Persistence in following such morals would open up new prospects for all families in the whole nation and the whole state living happily and harmoniously. The happy families throughout the country will form a strong base for socialist construction.

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A DEMOCRATIC WORK SPIRIT SHOULD BE ENCOURAGED--NOTES ON READING VOLUME ONE OF 'SELECTED WORKS OF LIU SHAOQI'

Beijing RED FLAG in Chinese No 5, 1 Mar 82 pp 40-43

[Article by Yao Liwen [1202 0500 2429], Zheng Weizhang [6774 0251 4545] and Zhou Zhixing [0719 1807 5281]]

[Text] "We must expand party democracy," "We must encourage a democratic work spirit." ("Selected Works of Liu Shaoqi," Vol 1, p 66; henceforth only page numbers will be given) This was what Comrade Liu Shaoqi advocated in his report at the White area party representatives' meeting in May 1937. At that time, Japanese imperialism was pressing forward with its plan of destroying China, and the various races and various levels of people in our country were facing the calamity of national subjugation. Our party was at the historical juncture of mobilizing millions of people to engage in nationwide armed resistance to the invaders. Comrade Liu Shaoqi's advocacy of these measures at this crucial moment fully illustrated the importance and urgency of the problem.

At the time, the White area party organ was confronted with two possible changes. One was to shift the center of work to the establishment of an anti-Japanese national united front; the other was to free the party members and cadres from the influence of leftist doctrinairism and convert them to self-consciously implementing the party Central Committee's correct line under the leadership of Comrade Mao Zedong. The latter change was rather penetrating and difficult. Wang Ming's leftist doctrinairism had for a prolonged period of time dominated our party. Inside the party, democratic life had not been normal while the initiative and creativeness of the extensive masses of party members had been restrained. As a result, even a full year after the Zunyi conference certain cadres working in the White area still harbored the leftist erroneous ideas of closed-doorism and adventurism such as "down with everything, absolute noncooperation and struggle to the end against everything." It was realized that if our party failed to rapidly break away from the shackles of "these vicious traditions," or to quickly rectify the party's tendencies, it would be impossible to effect the former change and lead the people of the whole country to victory in the anti-Japanese national salvation struggle. For this reason, Comrade Shaoqi wrote a series of articles exposing and criticizing the leftist closed-door doctrine and adventurism as well as "extremely undemocratic practices." In these articles, he advocated the following idea: We must expand democracy within the party and encourage a democratic work spirit, and we must carry out, among the party members and cadres, education on democracy and the study and cultivation of democracy. Subsequently, he continued to expound this theme in other publications such as "On the Cultivation of Communist Party Members," "On Struggles Within the Party," "Overcome Difficulties, Prepare for Counterattack, and Create Conditions for the Postwar Establishment of a New China," "On the Party," and so on.

The historical experiences of success and failure have taught us that under the logical premise of a correct line and policy, the expansion of democracy inside the party, the encouragement of the democratic work spirit, the mobilization of the whole party's enthusiasm, and the building of correct relations between the party and the masses constitute important assurances for the realization of the party's general task and the promotion of the smooth development of revolutionary enterprises. Today, we are in the midst of a new era of all-round construction of socialist modernization. We are confronted with the problem of overcoming the vicious practices of subjectivism and bureaucratism in actual work, which results from the influence of the prolonged leftist errors, and also the problem of freeing ourselves from being divorced from the masses. We can derive much enlightenment from seriously studying Comrade Shaoqi's expositions and from historical lessons.

I

What constitutes a democratic work spirit? It is the execution of certain democratic procedures without being attached to formalism. More importantly, it implies that a democratic spirit be instilled in the life of the party and in all the work of the party. Comrade Shaoqi pointed out that leadership organs should respect each and every comrade's ideas and inherent rights. They should foster the spirit of criticism on the part of the cadres and make them brave enough to speak out. The leadership personnel should consider themselves ordinary comrades, treat others with an attitude of equality, modestly accept criticisms from below, and refrain from exercising special rights. Party organs should absorb and accept the experiences and good ideas of the whole body of comrades. They should, on the basis of democracy, establish the party's collective leadership. They should strengthen education and increase the party members' self-consciousness in obeying the organization, obeying the majority, and observing discipline. They must remove commandism and the doctrine of punishment. This is the democratic work spirit. Each and every one of our cadres must harbor such a spirit and employ it in reforming himself and educating the comrades. Conversely, people without the democratic work spirit are inclined to make arbitrary and peremptory decisions. They suppress democracy and even indulge in individual despotism. Naturally, they divorce themselves from the masses and from reality, and they are unable to formulate correct guidelines and policies. The leftist doctrinairist Wang Ming was precisely this type of person. He completely disregarded organizations and the masses and placed himself above everybody. He subjectively analyzed the state of the revolutionary struggle and mouthed empty, exaggerated and unrealistic slogans, guidelines and policies, forced the masses into adventurism, and made the party's work sink into the mire of blindness and recklessness. Under the influence of Wang Ming's errors, some comrades treated the party's resolutions with an air of bureaucratism and disdain and behaved in a despotic manner before their subordinates. They only wanted their subordinates' blind confidence and blind obedience. They refused to listen to their subordinates' ideas and would not help them to solve the real problems encountered in work. They only knew how to prepare reports, issue directives, and reprove and reprimand their subordinates. "After being subjected to the abuse and maltreatment by these people who indulge in empty talk, comrades who originally had been very lively and active have become people without a soul and without a future." (p 42) Such leftist closed-doorism and adventurism seriously endangered the work of the party and masses in the White areas. They provided the major obstacle to changing the pivotal center of the work of the party. In Comrade Shaoqi's opinion: "If we do not eradicate and change this type of 'empty talk-ism' our party's organization and work cannot be enlivened or developed." (p 41)

Whether one has a democratic work spirit depends in the last analysis on whether he has a world outlook. Comrade Shaoqi's advocacy of the democratic work spirit and his earnest practice of what he advocated were inseparable from his proletarian world outlook. He insisted on adopting the viewpoint of historical materialism and emphasized the need for cultivating a correct relationship between the individual and the masses. As Comrade Shaoqi saw it, history is created by the masses. Without the masses exerting their efforts, nothing can be successfully accomplished. The cause of communism is a cause of millions of people. An individual can perform only one part of the work. Regardless of how high the social status of an individual, he is but a "drop in the ocean." He must therefore firmly rely on the masses. Communist Party members should not, and cannot, be "heroes" representing the masses in fighting for the world. What they can do is to act as leaders in arousing the self-awareness of the masses, guiding and organizing them in their struggles. One might be a great personage, but he still has this set role. "If anyone endeavors to play a bigger role than this, then this can give rise to all sorts of errors." (p 352)

Some comrades frequently consider themselves wise and brilliant and "higher" than other people. They treat the masses with a bureaucratic attitude. They "stand above the people and not amidst them; they take themselves as the people's bosses and not as their workers. They act outside their authority, monopolize everything, and fail to observe their obligation to democratically cooperate with people outside the party; they take themselves as the rulers of the people and not the public servants of the people; and they do not listen to the people's orders or abide by their wishes." (pp 225-226) This kind of comrade makes no effort to arm himself with historical materialism and does not entertain any thought of believing in the masses, respecting them, or learning from them. How then can they possess a democratic work spirit? Comrades in leadership posts should refrain from following their example.

Comrade Shaoqi further pointed out: "A true democratic spirit is inseparable from the communist virtue of unselfishness." (p 67) Only in possessing the consciousness and unselfish spirit of a communist can we set to rights our relations with comrades and treat them with a democratic attitude. Within the revolutionary ranks, there exist only differences in duties and in the division of work. There does not exist any relative superiority or inferiority. We must treat our comrades with an attitude of equality and sincerity. We must place ourselves in the same position as our comrades and share their thoughts. We should feel concerned for each other and help each other. Those in higher ranks should encourage their subordinates to express views contrary to their own opinions or plans. With their subordinates, they should, wherever possible, resort less to the method of giving instructions or orders and more to the methods of making suggestions and instigating discussions. (pp 42-43) Without communist virtue and cultivation, this can hardly be done. People imbued with selfish and self-centered thoughts "wish to put themselves above other people and disdain being below others; they demand special rights to control other people and not to be controlled by others; they may at all times criticize, attack and insult other people, but other people may not criticize them; they want others to obey their 'decisions,' but they themselves can disobey the decisions of the organization; in their opinion, other people who break the principle of centralization are violating discipline, but they refuse to admit that their breach of the democratic principles is also in violation of discipline; they seek only their own individual development and even harm other people's development just for the sake of their own development." (p 67) These are innerparty reflections of the thoughts of the exploiting class of the old society and run counter to the democratic spirit.

II

In fostering the democratic work spirit, there must be a definite system to ensure its protection. In his report on the revision of the party constitution at the party's seventh national congress, Comrade Shaoqi made the following elucidation: "Our party is a united body formed by the party head (center), party organs at various levels and the extensive masses of party members which combine in accordance with definite regulations. These regulations constitute the party's democratic centralized system." (p 358) The implementation of democratic centralism organizationally protects the expansion of democracy within the party and the fostering of a democratic work spirit. As early as 1926, when talking about the organization and establishment of trade unions, Comrade Shaoqi pointed out that in democratic centralism, "there must definitely be the centralization of democracy" and that centralization does not mean "centralization in the individuals," but centralization in the resolutions passed by a majority vote at meetings. In 1945, he again made the following lucid explanation: "Only by implementing a high degree of democracy, can we reach a high degree of centralization of the leadership; and only under a high-degree centralized leadership which is based on democracy, can there be a high degree of democracy." (p 366) Some comrades only want centralization and not democracy. The centralization even develops to the point where arbitrary decisions are made and peremptory actions are taken, actions are taken according to the wishes of one individual, and individual despotism grows. This is tantamount not only to trampling democracy underfoot but also to violating centralization. As a measure of retaliation against this tendency toward individual despotism, the party might even evolve an extreme form of democratization. This violates democratic centralism from another angle. This shows the two extreme phenomena in inner-party life. As Comrade Shaoqi pointed out: "Both of these tendencies are erroneous. They greatly impede and violate the real unification and unity of the party. The party must be alert to prevent the appearance of such phenomena." (p 361) Actual practice has demonstrated that whenever our party insists on the adoption of democratic centralism, life inside the party is active and lively. The vast masses of party members and cadres are high-spirited and vigorous, and the revolutionary cause thrives and prospers. Conversely, whenever democratic centralism is neglected, life within the party becomes low-spirited. It makes some leadership personnel become proud and arrogant and divorced from the masses. It might even bring about the phenomenon of the individual putting himself above the party organization and cause the revolutionary cause to suffer a serious setback. The history of our party has recorded deep and painful experiences and lessons of this nature.

Moreover, Comrade Shaoqi emphasized the importance of instituting a system to protect the democratic rights of the people and thereby to systematize democracy. He said: "To promote democracy, we must set up a democratic system to facilitate supervision by the masses and to ensure that the masses have many opportunities and can employ various ways and means to oppose bureaucratism." (p 387) Whether the masses can exercise supervision hinges on whether our party can retain its character of being the vanguard of the proletariat class; the lack of a sound democratic system might directly affect the capability of the people's masses to supervise our party well. Some comrades within the party have been able to make arbitrary decisions and to take peremptory actions. They have disregarded the wishes of the comrades and of the masses, damaged the enthusiasm of the comrades, and even attacked and retaliated against those comrades who dared to express contrary views. All this can be ascribed, in addition to the fact that the ideologies of the exploiting class have been playing havoc in their minds, to the fundamental reason that the democratic system was not sound enough and was only an impediment to the masses in doing their supervisory work. In Comrade Shaoqi's opinion, those people who have trampled democracy underfoot should be dealt with by law. In 1942, when the anti-Japanese war was at a difficult stage, Comrade Shaoqi, aiming at establishing a strong anti-Japanese democratic base area, paid great attention to the setting up of an "order of democratic political life." He called on our comrades to fully equip themselves with the democratic spirit by learning to be democratic, practicing democracy at the various levels of the populace, and summarizing the experiences of various localities in carrying out democratic ideals so that they could educate the party members and the populace. He said: "We should further formulate certain laws on democracy," and "fix regulations on how to punish officials who have gone against democratic ideals and have infringed on civil rights (people's democratic rights). Inside the party, we should criticize, struggle against and punish party members who oppose democracy."

(pp 226-227) In his opinion, only by stepping up the studies and cultivation of and training in democracy and by protecting the healthy democratic system, can we really foster the democratic work spirit.

III

In promoting the democratic work spirit, we must insist on criticism and self-criticism. Criticism and self-criticism constitute both the substance of expanding inner-party democracy and the democratic work spirit, and powerful weapons for expanding inner-party democracy and promoting the democratic work spirit. Comrade Shaoqi said: "The central link in expanding inner-party democracy hinges on arousing criticism and self-criticism among the party members and cadres." (p 363) In order to smoothly carry out criticism and self-criticism, it is extremely important that leadership comrades at various levels set themselves up as examples. Comrade Shaoqi further pointed out: "Responsible persons in the various leadership organs must first carry out full self-criticism of the defects and errors in the work under their own leadership." "They must harbor the spirit of being fully prepared to accept other people's criticism." (p 364) Only in this way can democracy inside the party be fostered, and only in this way can we create the democratic atmosphere of daring to speak, not fearing to make errors, not fearing but welcoming criticism, and enjoying a free hand in our work. This atmosphere is precisely the requisite condition for arousing the whole party's enthusiasm and creativeness. Conversely, in cases where the spirit of criticism and self-criticism is lacking, where endeavors are made to cover up or hide one's defects and errors, where there is a failure to "feel glad upon being told of our faults," and where taunting replies are made and opportunities to retaliate sought, inner-party democracy is nonexistent, and far less is the democratic work spirit present.

In carrying out criticism and self-criticism, the democratic spirit must be shown and reasonableness must be firmly insisted upon. It is not a proper attitude by which to treat our comrades if we solely rely on questionable tactics and brutal force and subject party members to crude struggles and punishment. This, in fact, violates the principles of democracy. Against such undemocratic errors, Comrade Shaoqi pointed out: "Inside the party, everything must be governed by reason. Everything must be explained clearly by reason; and there must be a reason for everything." "In order to clearly explain the reason and to be able to explain clearly the reason, inner-party democracy is indispensable. It is absolutely necessary to practice sitting calmly together and thrashing matters out." (p 216) Only by insisting on reason can we make good use of the weapon of criticism and self-criticism and achieve the goal of educating the comrades and unifying the whole party.

In conducting criticism and self-criticism, we must insist on being practical and realistic and must be imbued with revolutionary courage. Comrade Shaoqi believed that there is no perfect leader in the world, neither in the past nor at present, and neither in China nor abroad. Nobody should be afraid of having committed errors. What we should be afraid of is the inability to discover and rectify errors. We must rectify our errors with the highest degree of revolutionary bravery. Such evil practices as "concern for saving face" and "fear of criticism" must be eradicated. "If you have done bad deeds, why be concerned with face-saving?" (p 312) Comrade Shaoqi not only was brave in discovering and rectifying errors but also encouraged comrades of the whole party to study and bring up problems. In a conversation with some reporters from north China, he pointed out: "You are at liberty to examine whether the party policies are correct or not. If you discover errors in the policies, you are perfectly at liberty to point them out. You have the right to do so." (p 403)

In his article "On Cultivation of Communist Party Members," Comrade Shaoqi pointed out that a real Communist Party member possesses the highest revolutionary courage. "Because he has no selfish motives, he has nothing to hide. He does nothing 'against his conscience.' He can openly reveal his own errors and defects and is brave in rectifying them. They are like solar eclipses and lunar eclipses which occur on and off." (p 132) Comrade Shaoqi was just this type of Communist Party member. He was a good model of being brave in criticism and self-criticism and of insisting on the democratic work spirit. In 1948, the revolutionary situation in the whole country was rapidly developing and victory was in sight. As one of the responsible persons of the party Central Committee, he reminded himself and his comrades to constantly be alert and to refrain from considering themselves as being always correct. He said: "We might be sitting placidly here, but danger is lurking. Have we done anything wrong? We should always ask ourselves this question." (p 399) Comrade Shaoqi never concealed his errors. In the spring of 1947, Comrades Mao Zedong, Zhou Enlai and Ren Bishi remained behind in northern Shaanxi to direct the war of liberation, while Comrades Liu Shaoqi and Zhu De were stationed in north China. In his capacity as secretary of the Central Work Committee, he took charge of the work entrusted to it by the party Central Committee. Under the guidance of Comrade Shaoqi, the various liberated areas undertook the mighty land reform movement and achieved important results. This helped to greatly strengthen both our party and our armed forces and ensured a victorious outcome of the people's war of liberation. Unfortunately, during the course of the work, certain "leftist" errors occurred. Comrade Shaoqi did not evade responsibility. He courageously admitted the errors and strove hard to rectify them. At the 2d Plenary Session of the 2d CCP Central Committee, he solemnly made a self-criticism and said: "In the course of the land reform, the various localities have made certain errors. The party Central Committee was responsible. In large measure I myself was connected with some of the errors." (p 419) This demonstrated the magnanimity and democratic spirit of a Communist Party member.

After studying these dissertations in "Liu Shaoqi's Selected Works," volume one, and giving much thought to our party's history, particularly the experiences and lessons on problems of democracy within the party since the founding of the PRC, we deeply feel that for the sake of strengthening the building of socialist material civilization and socialist spiritual civilization, party organs at various levels and each and every party member should carry on the party's superior traditions, foster the democratic work spirit, and earnestly practice what one advocates, forever and ever!

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LITERARY AND ART CRITICISM IS THE SCIENCE WHICH MAKES LITERATURE AND ART FLOURISH

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[Article by Qu Xing [7257 7534]]

[Text] Our party fully affirms the achievements gained on the literary and art front during the past few years, including the achievements scored in the area of literary and art criticism. Since the smashing of the "gang of four," particularly since the 3d Plenary Session of the 11th CCP Central Committee, literary and art criticism has played a positive role in bringing order out of chaos in the struggle to oppose the "two whatevers" and rectify the mistakes caused by leftist thinking in literary and art circles, and has helped to promote a flourishing of literary and art creation and to open up new paths for revolutionary realism in literature and art. It is the achievements that are most important. However, during this recent period, literary and art criticism has been unable to keep pace with changes in form and has lagged behind the development of literary and art creation. In the face of an ideological tide that threatened to violate the four basic principles, it appeared weak and feeble and its attacks on the pernicious influences of "leftist" thinking lacked force. As regards some works, both good and bad, there was an absence of forceful Marxist analysis and criticism. The situation has changed greatly since last summer, and the renewed emphasis on criticism and self-criticism, including literary and art criticism, has aroused the interest and enthusiasm of both the literary and art circles and the whole party. Comrade Hu Qiaomu, in his speech entitled "Several Questions on the Ideological Front," pointed out that "if criticism in any area is to effectively achieve the goal of upholding the four basic principles, it must be correct both in terms of theory and reality and must be carried out in a regular and consistent manner." The question now is how can we make literary and art criticism advance in a regular fashion along the Marxist path so that literary and art criticism keeps pace with literary and art creation.

I

If literary and art creation is to be carried out in a regular and effective manner, it is essential that we further clarify the aim of such criticism. Looking back on and discussing the history of the past few decades of art and literary criticism does not seem to be a particularly difficult or superfluous task. Last year a few comrades in literary and art circles were worried that literary and art criticism might damage the hard-earned flourishing nature of the current literary situation. It must be said that there is no need for such general doubts. Only when literary and art criticism is erroneous will this kind of worry ever become reality. Correct literary and art criticism, on the other hand, can only help the overall development of a flourishing and prosperous social situation. Having already summed up positive and negative experiences, our party can now remove all forms of obstruction so as to ensure that literary and art criticism is carried out correctly on the basis of the four basic principles. However, it should also be noted that there are historical reasons for the phenomenon of people having many lingering fears. Since the founding of the PRC, literary and art criticism has played a very positive role, resulting in many fine achievements in the assessment of new works, the cultivation of new artists and writers, and other things. However, it cannot be denied that under the guidance of "leftist" thinking, literary and art criticism often developed into movements of criticism, with comrades being treated like enemies and fragrant flowers being seen as poisonous weeds. During the 10 years of internal disorder, literary and art criticism became an instrument to destroy literature and art, to persecute artists and writers and to exercise "overall dictatorship." The "gang of four" had ulterior motives and their "literary and art criticism," which excelled in "galloping over tender seedlings," directly served their policy of cultural destruction. The historical lesson that should be drawn from this is that the expansion of class struggle in the past influenced the aim and task of literary and art criticism, leading to long-term errors in understanding. To see literary and art criticism as nothing more than an instrument of political struggle on the literary and art front, with the result that struggle becomes everything and criticism becomes an end in itself, violates the "double hundred" policy and leads literary and art criticism onto a mistaken and unscientific path opposed to the party spirit.

We all know that the basic aim of socialist spiritual production is the satisfaction, to the greatest extent possible, of the ever increasing cultural needs of the masses. The correct goal of literary and art criticism should be, and can only be, the development of the productive forces of socialist literature and art, the promotion of a flourishing situation in socialist literature and art, the satisfaction of the ever increasing legitimate needs of the people in their spiritual life and the fostering of new socialist man. Since literary and art creation should pay attention to social effects, literary and art criticism should also pay attention to social effects. An important criterion for judging whether the effects of literary and art criticism are good or bad is whether socialist literature and art are flourishing or declining. From history we can see that any progressive literary and art criticism plays a positive role in promoting the development of literature and art. At the beginning of our country's Tang dynasty, Chen Ziang advocated the "style of Han and Wei" in literature and art, offering theoretical criticism of the overly elaborate formalism inherited from the Qi and Liang dynasties' emphasis on "overelaborate beauty and form." In this way he began a new poetic style, opening up the way for the flourishing development of Tang dynasty poetry. In Russia in the 19th century, it was the theoretical criticism of Belinskiy, Chernyshevskiy and Dobrolyubov that led to the development of the literary movement of critical realism in a more self-aware fashion, and to the eventual triumph of this movement. A cause-and-effect relationship exists between correct literary and art criticism and the flourishing of literary and art creation. We should pay attention to this rule of internal connection.

When we say that the aim of literary and art criticism should be to promote the development of a flourishing situation in literary and art creation, we do not mean that we can neglect to criticize and struggle against works, ideological trends, and literary and art views that express erroneous tendencies. The point to be remembered is that criticism and struggle should not be taken as ends in themselves. We should pay close attention to the special characteristics of struggle in literature and art. Comrade Mao Zedong said: "The principal method of struggle in literary and art circles is literary and art criticism." This is undoubtedly correct. Literature and art have always developed out of struggle. Take, for example, the situation after the fall of the "gang of four." Had the broad masses of literary and art workers not struggled against and criticized the dictatorship theory, the sinister line on the literary and art front of the "whatever" viewpoint, the "proceeding from the line," the "three emphases" and other idealist fallacies, would it have still been possible for revolutionary realism in literature and art to achieve such an overwhelming victory? Today, if we fail to struggle against the erroneous trend toward bourgeois liberalization, a trend which violates the four basic principles, if we fail to criticize all negative, unhealthy and dangerous works and views on literature and art, and if we fail to criticize all viewpoints that lead to crude simplification or dogmatism in literary and art theory, then it will certainly be impossible to have a healthy development in literature and art. Strictly observing the special characteristics of literature and art, we should use literary and art criticism to uncover and affirm good and relatively good works. While upholding the principle of creative investigation, we should criticize all unhealthy and incorrect creative tendencies and all bad works. Under normal circumstances, however, encouragement should play the dominant role. We should promote and support both the free competition of different literary and art works and the free debate of different literary and art viewpoints. By constantly summarizing our experience of literary and art creation and investigating the rules governing the development of literature and art, we should try to guide the development of literary and art creation and the literary and art cause. In this way it will be possible to achieve the goal of promoting a situation of flourishing literary and art creation and of promoting the cause of literature and art.

II

If literary and art criticism is to be carried out in a regular fashion, we must take pains to guarantee the correct nature of such criticism. What is meant by correct criticism? More than 100 years ago, the great Russian poet Pushkin commented that "criticism is a science." "Criticism is the science that seeks to uncover the beauty and failings of a literary or art work."

("On Criticism," "Selected Translations of Ancient Literary and Art Theory," Vol 2, p 153) In his speech "Several Questions on the Ideological Front," Comrade Hu Qiaomu stated that "correct criticism does not depend on status but on science and art; that is to say, it depends on truth and correct methodology." He also said: "Literary and art criticism is a specialized branch of science." "Criticism itself is, to varying degrees, both a type of scientific research and a form of creative labor." These comments really hit the nail on the head. They not only correctly reveal the nature of literary and art criticism but also cut right to the core of the problems that have affected our literary and art criticism for many years.

The most basic demand of literary and art criticism that is both Marxist and scientific is that one should adopt the attitude and method of seeking truth from facts. Literary and art criticism can be adjusted to suit different times and different circumstances as well as different points of emphasis. However, there should be no contradiction, and it is essential to preserve consistency. We cannot say one thing today and another thing tomorrow. We must be firm in our principles on questions of theory and should avoid shifting back and forth. As far as works of art or literature are concerned, "only when criticism says what is good and what is bad will it benefit the author or artist." ("Complete Works of Lu Xun," Vol 4, p 395) Extreme forms of pragmatic criticism that either "praise to the skies or consign to oblivion" violate scientific principle. Literary and art criticism must be able to withstand the test of history and practice.

If literary and art criticism is to be scientific, we must first of all have a complete and historical understanding of the object of such criticism. On this question, Lu Xun once made some very well-known and insightful comments: "I believe that if one is to judge literature in a relatively accurate manner, it is important to pay attention to the complete text; the entire character of the author and his position in society." ("Complete Works of Lu Xun," Vol 6, p 344) Lu Xun's viewpoint is entirely in keeping with dialectical materialism. Engels' discussion of Goethe and Lu Xun's criticism of Tao Yuanming provide us with examples of how criticism should be carried out. Engels recognized not only that "Goethe was at times extremely great," but also that he was "at times extremely small." "While Goethe was sometimes a rebellious genius who loved to ridicule and dared to disdain the world, he could also be an overcautious, self-satisfied and narrow-minded mediocrity." ("Collected Works of Marx and Engels," Vol 4, p 256) Lu Xun took note of the "inactive and carefree" side of Tao Yuanming's character expressed in lines such as, "Picking chrysanthemums by the east fence, in the distance I see the southern mountains." However, he also appreciated the "steely and angry gaze" found in other poems: "Jing Wei carries slivers of wood; to fill the vast sea, Xing Tian dances with his sword, his fierce will forever firm." "'Fierce will forever firm,' and 'In the distance I see the southern mountains' represent different sides of the same person, and to emphasize one side at the expense of the other distorts this person's true character, and the more such distortion occurs the more divorced the criticism is from reality." (ibid., p 336) It is most unfortunate that it was not at all rare for literary and art criticism in the past to ignore the "whole person" and to ignore the "whole work." This tendency to focus on minor details at the expense of the whole and to use sections of a piece completely out of context led to criticism that was, on the whole, "divorced from reality."

Literature and art use images to reflect life and express thinking and emotion. Scientific literary and art criticism should proceed from an understanding of artistic images and should avoid analyses and assessments that are divorced from images. In assessing the thinking and emotion revealed by a work's images, it is essential to observe the work's main trend. Comrade Stalin believed that the value of a literary or art work is determined not by "specific details" but by a "general tendency." ("Complete Works of Stalin," Vol 12, p 101) While a work might contain certain noteworthy descriptions, if the main trend is bad we should be negative in our criticism. If the main trend of a work is basically good, our criticism should be positive even though there might be certain shortcomings. Perfect works are, of course, good; unfortunately, however, they are very difficult to come by. Lu Xun was very much opposed to metaphysical literary and art criticism that "demanded perfection." He saw no point in demanding that "all jewelry be pure gold" and all characters be "absolutely perfect." He opposed "rejecting the whole thing because of one shortcoming." He compared flawed works with "bruised apples," and hoped that "critics would be able to gouge out the bruised portions." If an apple is bruised this does not mean we should "refuse to put it in the basket." ("Collected Works of Lu Xun," Vol 5, p 94)

Owing to the effects of the "leftist" guiding ideology in the past, it was common for people to adopt a pragmatic attitude in their treatment of literary and art criticism. This ran completely counter to the scientific attitude and methodological demands discussed above. Neglecting both analysis of artistic images and main trends, they invariably seized on a few isolated sentences and specific details, arbitrarily extending meanings and passing judgment. Kang Sheng's attack on the film "A Thousand Li Against the Wind" as a "poisonous weed" is an example of such simplistic, crude methods. He cooked up a series of charges by saying that the words uttered by the film's reactionary characters represented the thinking of the author. During the 10 years of turmoil the methods used by Lin Biao and the "gang of four" to arbitrarily extend meanings and draw inferences were often even more absurd than those of the "index group" in Hong Lou Meng studies: "Hai Rui Resigns From Office" was seen as an attempt to vindicate Peng Dehuai; the great red horse in the opera "Three Visits to Taofeng" was interpreted as an attempt to "revive the counterrevolutionary revisionist line of Liu Shaoqi," and any suggestion that the sun had dark spots was seen as an attack on Chairman Mao. There was every type of absurdity imaginable. Such anti-scientific literary criticism embodied an idealist and metaphysical approach. Although scientific literary and art criticism has its own special rules, once it departs from dialectical and historical materialism it will easily go astray.

If literary and art criticism are to become an art, whenever we assess a work of literature or art we must combine ideological analysis with artistic analysis, linking the social value of a work with its aesthetic value. Any art or literary work will always have a certain ideological content as well as an artistic form. As long as criticism concentrates on analysis of political content alone or, on the other hand, ignores ideological content and concentrates on examining artistic form at the expense of everything else, it is impossible to talk of literary and art criticism being scientific. Certainly, as far as the relationship between content and form is concerned. it is content that plays the leading role, and in the relationship between ideology and art it is ideology that occupies the more prominent position. However, in a single work's content and form, ideology and art combine to form an integral whole. We regard literature and art as such because of their special artistic conception, artistic expression and artistic form. The significance of this is that, far from being something of secondary importance, artistic content is an important prerequisite for literature and art. Comrade Zhou Enlai put this very well when he said, "If politics replaces art there will be no culture. Will there be anything left worth looking at?" Clearly it is artistic content that differentiates literature and art from politics, philosophy and other ideologies. Moreover, this artistic content is of critical importance to the survival of literature and art themselves; in fact it is this which actually determines their nature as literature and art. In a good work, ideological content and political content "flow naturally from the scenes and plot of the work." For this reason, when assessing a work of literature and art, we should start with an analysis of the work's artistic content, combining rather than separating the analysis of art and ideology, uniting rather than separating ideological and artistic criteria. The position of artistic analysis in literary and art criticism was ignored for a considerable period of time in the past. Political criteria became not only the foremost consideration but the only consideration. Political judgment replaced artistic analysis. Such literary and art criticism was of little use in helping the author sum up his creative experiences or in helping the reader to appreciate the work. Since we demand that revolutionary ideological content be combined with the best artistic form possible, when it comes to literary and art criticism our judgments should be based on "aesthetic and historical considerations" as well as a viewpoint that unites ideology and art. Only when this is the case will it be possible to have valuable and scientific criticism. Comrade Mao Zedong said: "We oppose both the tendency to produce works of art with a wrong political viewpoint and the tendency toward the 'poster and slogan' style, which is correct in political viewpoint but lacking in artistic power. On questions of literature and art we must carry on a struggle on two fronts." ("Selected Works of Mao Zedong," Vol 3, p 826) This is a principle that should be firmly upheld by scientific criticism of literature and art.

III

The crux of regularizing literary and art criticism lies in upholding the party's four basic principles and the policy of literature and art serving the people and socialism and of "letting a hundred flowers bloom and a hundred schools of thought contend." Not only is the launching of literary and art criticism needed to uphold the party's four basic principles in literature and art and to adhere to the orientation of literature and art serving the people and socialism, but it is also implied in the idea of implementing the "double hundred" policy. We cannot set out to understand the "opening-wide" policy just by looking at the words. It seems that its purpose is to lump together various theoretical viewpoints and various literary and art works, making no distinctions between them and treating them all as being the same. We should not think that the criticism of erroneous literary and art viewpoints and works that show unhealthy tendencies is antagonistic to the "opening-wide" policy. It is not the purpose of the double hundred policy to open wide. It is the purpose of the "double hundred" policy to promote the proliferation of socialist literature and art and the progress of science. Comrade Mao Zedong said: "To 'open wide' means to let all people express their opinions freely, so that they dare to speak, dare to criticize and dare to debate." ("Selected Works of Mao Zedong," Vol 3, p 414) Our society is still filled with various contradictions. Although class struggle still exists within a definite sphere, what does exist in abundance in social life are contradictions among the people. The "double hundred" policy was put forth on that basis. It requires us to resolve contradictions among the people on the literary and art front, ideological problems among the people and questions of right and wrong in literature and art, including fallacious things in the spiritual world, by using democratic methods, the method of discussion and the methods of criticism and self-criticism. In the past, under the influence of the spread of class struggle, an excessive struggle was carried out on the literary and art front, with the result that when we were rectifying these "leftist" errors, another tendency emerged. This was because we lacked forceful criticism of the bourgeois liberalization tendency and the various vulgarized and commercialized unhealthy tendencies that indeed existed. Some people were fed up with being criticized and treated correct criticism as "wielding the big stick." Some people doing the criticizing were apprehensive about criticism, afraid of being misunderstood as "wielding a big stick." This situation was unfavorable to the development of our literature and art in the direction of serving the people and socialism. It was also out of line with the demands of the "double hundred" policy. Now, as we start to bring about a change in this situation and to launch literary and art criticism, we must bear in mind the experience and lessons of the past and unswervingly implement the "double hundred" policy, so as to enable literary and art criticism to develop in a perfect and sustained way.

In launching literary and art criticism in accordance with the demands of the "double hundred" policy, we must draw a strict line between contradictions among the people and contradictions between the enemy and ourselves. The launching of literary and art criticism among the people calls for the upholding of the policy of "unity-criticism-unity." We must first have a common desire and a benevolent attitude. We must hold discussions in a comradely way and treat others as equals. We must not use our influence to oppress others. As for comrades who have committed errors, in particular those who have committed serious errors, we should welcome any attempt on their part to mend their ways. It should be stressed that: "Questions of right and wrong in the arts and sciences should be settled through free discussion in art and scientific circles and through practical work in these fields. They should not be settled in an oversimplified manner." (ibid., p 388) "It means not coercing people with wrong views into submission but convincing them by reasoning." (ibid., p 415) We must definitely avoid capitalizing on other's vulnerable points, sticking labels on others, "wielding big sticks," making concerted attacks and launching campaigns. We must advocate criticism that seeks truth from facts, that is reasonable, balanced and convincing. We must oppose "criticism" that is hairsplitting, makes rude attacks, cooks up charges, is exaggerated and sets out to destroy people. Of course, just as we cannot "demand perfection" in literary and art works, so we cannot require absolute correctness in literary and art criticism. The quality of literary and art criticism can only be gradually improved in the course of practice.

Whether we can truly implement the "double hundred" policy in literary and art criticism depends to a great extent on whether there is countercriticism and whether we can achieve the "freedom of criticism and the freedom of criticizing criticizers" put forth by Comrade Mao Zedong. If the power of countercriticism is not protected, there is the danger of a "one-man show." With countercriticism, and allowing the criticized to keep their opinions and to defend themselves, we will be able to reduce or even avoid the evil consequences of the confusion of right and wrong, black and white, brought about by erroneous criticism. Differences of opinion among the people are tolerable. Truth is developed in the course of comparison and struggle with falsehood. Marxists should have confidence in their own strength. Falsehood will not stand up to refutation, whereas truth is irrefutable.

CSO: 4004/31

LENIN ATTACHED IMPORTANCE TO REFORMING STATE ORGANS

Beijing RED FLAG in Chinese No 5, 1 Mar 82 inside back cover

[Article by Wen Zehuan [7614 3419 3562]]

[Text] Lenin bitterly hated bureaucratic tendencies existing in state organs. He deemed that if we failed to carry out tenacious struggles against them systematically so as to reform state organs in real earnest, "we shall certainly be destroyed" by them.

Early in 1918, Lenin insisted on reforming state organs. However, the party was unable to put the task on the agenda as the civil war was still going on. After Soviet Russia won the war and entered into the period of rehabilitating the national economy and building up socialism, this subject of reforming state organs became a problem of great concern to Lenin. He pointed out: Reforming state organs is a problem that "particularly interests me." If we "are determined" to do so, "it will be a great asset and guarantee us success." ("Collected Works of Lenin," Vol 33, p 355) From December 1922 to March 1923, through letters and dissertations, Lenin proposed many times to the party Central Committee that state organs be reformed and clearly pointed out that reforming state organs was a major task during the time of peaceful construction. He said: "The problem of running and improving our state apparatus is a very difficult one that is far from being solved, and it must be solved urgently." ("Selected Works of Lenin," Vol 4, p 693) He also said: "With the onset of peace and the satisfaction of the minimum requirements against famine, all our work must be directed toward improving the administrative machinery." ("Collected Works of Lenin," Vol 36, p 619)

Hence, what should be done for reforming state organs? Lenin believed that in order to attain the goal of reform, some strong, practical measures must be taken.

1. Streamline state organs. Lenin pointed out that with a view to improving work efficiency and saving on expenses, the number of staff members in state organs must be reduced to the minimum so as to strengthen the ties between state organs and the masses. In his letter to members of the Collegium of the People's Commissariat for Workers' and Peasants' Inspection, Lenin said: "You have a staff of 8,000 instead of 9,000. Would it be possible to cut it down to 2,000, with salaries for 6,000 (i.e., to treble the payment) and improve their qualifications?" ("Collected Works of Lenin," Vol 36, p 602)

2. Select qualified personnel. Lenin pointed out: It is necessary "to select and concentrate a staff of workers who are really abreast of the times, that is, who are not inferior to the best West European standard." His principle of selecting staff was "better fewer, but better." Except for those being recommended, the staff "must pass a difficult test, such as a test of knowledge of our state apparatus and a test in the fundamentals of the theory of our state apparatus, in the fundamentals of management, office routine, etc." ("Selected Works of Lenin," Vol 4, p 702)

3. Improve work style. Lenin often instructed workers of state organs to get in touch with reality and solve various problems arising in actual life. He sharply denounced those phrasemongers who divorced themselves from reality and "the arrogance of party members," and he often advised government workers to speak "fewer pompous phrases and do more plain, everyday work." ("Collected Works of Lenin," Vol 29, p 389) In his letter to the Central Statistical Board in 1921, Lenin asked them "to put 99 percent of the personnel on processing data that are practically and urgently required for our economy." ("Collected Works of Lenin," Vol 33, p 13)

4. Carry out inspection and supervision. Lenin maintained that strengthening inspection and supervision in state organs was also an important measure for reforming state organs. Under Lenin's leadership, the State Control Department was set up in 1918, and in 1920, the State Control Department was turned into the Workers' and Peasants' Inspection Department. Then in 1923 the Workers' and Peasants' Inspection Department was amalgamated with the Central Control Commission on the proposal made by Lenin to the party Central Committee so that the new organ had extensive power to inspect and supervise state organs. At the same time, he also stressed that the party and state leading comrades themselves should practice inspection and supervision over state organs. In his decree on the functions of the deputy chairman, Lenin pointed out: "The main functions of the deputy chairman are to exercise executive control over the fulfillment of decrees, laws and decisions; to reduce the staffs of Soviet government offices and supervise the reorganization of their activities along proper and rational lines; and to combat bureaucratic methods and red tape." ("Collected Works of Lenin," Vol 33, p 298)

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CONTENTS

Restructuring Administrative Organizations Is a Revolution (pp 2-5)
(Editorial Department)........ 1

Willingly Sacrifice Oneself for the Party's Cause--Notes on 'How To Be a Good Communist' (pp 6-9)
(Chen Yeping)........ 8

It Is Imperative To Rectify Study Style While Rectifying Party Style--Reading Volume One of 'Selected Works of Liu Shaoqi' (pp 10-13, 20)
(Ma Wenrui)........ 15

How Does the Capital Iron and Steel Company Carry Out Its Economic Responsibility System? (pp 14-20)
(Joint investigation team of the System Restructuring Office and the Economic Research Center under the State Council)........ 22

The Scientific Theory of Socialism and the Reality of Socialism in China (pp 21-31)
(Duan Ruofei)........ 36

It Is Imperative To Uphold the Basic Principles of Marx' Theory of Reproduction--Part Two (pp 32-36)
(Deng Liqun)........ 54

Introducing 'A Study of Problems in China's Socialist Economy' (pp 37-39, 44)
(Su Xing)........ 63

What Is Meant by Smuggling and Why Is It Necessary To Crack Down on Smuggling? (pp 40-41)
(Xi Wen)........ 69

Cadres Should Be Tested on Their Theoretical Study (p 41)................ 72

A New Discovery in Subject Matter for Film Production (pp 42-44)
(Chen Bo).. 74

Analysis of the Social Welfare System in Developed Capitalist Countries (pp 45-48)
(Yao Tinggang)... 79

The Party's Work Style Should Be Grasped in This Way (inside back cover)
(Zheng Nian)... 86

RESTRUCTURING ADMINISTRATIVE ORGANIZATIONS IS A REVOLUTION

Beijing RED FLAG in Chinese No 6, 16 Mar 82 pp 2-5

[Article by Editorial Department]

[Text] The party Central Committee has grasped restructuring administrative organizations as its number one task since the beginning of this year. At present, this task is being carried out first by the central party and government organizations and will then be carried out level by level in a planned way throughout the country. The vast numbers of cadres and the broad masses of the people are inspired and they enthusiastically support the current restructuring. There is no doubt that the party Central Committee's important policy decision on restructuring administrative organizations enjoys immense support from the whole party, the whole army and the people of the whole country.

Why do we now have to restructure administrative organizations? With the promotion of our socialist modernization programs, the situation in which our country's production relations and certain aspects of the superstructure are not suited to the development of productive forces is becoming increasingly serious and conspicuous. For example, the intolerably serious bureaucratic tendencies and low efficiency have resulted from overlapping and overstaffed administrations with their multitiered departments crammed full of superfluous personnel who are in posts with no clearly defined duties and who are engaged in endless haggling and shifting of responsibility. These have actually become serious obstacles to the promotion of our modernization programs. If we are not determined to go in for restructuring, it will be hard to keep up no matter how correct the party's line, guiding principles and policies are and no matter how fruitful our work has been. We cannot just sit here and unfeelingly watch our party and government organizations becoming devoid of vigor and efficiency. Being devoid of vigor and efficience obstructs the full implementation of the party's correct line, guiding principles and policies and stops us from scoring greater achievements in our work. Of course, our whole party must not remain different toward this state of affairs; otherwise, as executors of the people's instructions, can we still have a clear conscience?

Let us look back on the historical events of the past 5 years. Since October 1976 our party has fulfilled three very important tasks of profound historic significance. The first very important task was the smashing of the counterrevolutionary clique of Jiang Qing. This smashing extricated the party from calamity and saved the revolution. The second very important task was the convocation of the 3d Plenary Session of the 11th CCP Central Committee. This convocation revived the party's ideological line of seeking truth from facts, began bringing order out of chaos in an all-round way and determined the shift of the focus of the party's work. The third very important task was the convocation of the 6th Plenary Session of the 11th CCP Central Committee, which approved the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC," summed up both positive and negative experiences, correctly evaluated the historical role played by Comrade Mao Zedong and Mao Zedong Thought in the Chinese revolution and pointed out the orientation for the continued advance of our country's socialist cause and the work of our party. At the same time, this plenary session also readjusted the leading group of the CCP Central Committee, thus enabling the party Central Committee to have a very strong and united leadership core. The decision to restructure administrative organizations and thoroughly reform the cadre system is the fourth very important task which is being carried out by our party. This very important task has a great bearing on making continued efforts to open up new prospects and give full play to the superiority of the socialist system. It also has a very vital bearing on whether we can carry forward the organizational line and forge ahead into the future so as to guarantee the successful promotion of our modernization programs, and will affect the rise or fall of our party and our country. If this task is fulfilled successfully, our country will have great order and stability for a long time to come and will also prosper. It is quite clear that due to the successful fulfillment of the three very important tasks mentioned above, the major policies of our party and our country have been determined and the situation of unity and stability is being consolidated day by day, thus creating conditions for successfully carrying out the fourth very important task. Vast numbers of cadres and the masses have longed for the streamlining of administrative organizations and the reforming of the cadre system for a very long period of time and the great majority of the people of our country have achieved a common understanding of the streamlining and the reform. The longing and the common understanding have laid the ideological foundation for successfully fulfilling this important task. The party Central Committee has conscientiously summed up historical experiences and adopted, after careful consideration, the correct guiding principles, policies and measures for carrying out the restructuring. This offers a solid and reliable guarantee for the successful fulfillment of this task. In particular, while proletarian revolutionaries of the older generation and many of our party's long-tested, loyal and devoted comrades are still living and in good health, we should avail ourselves of this golden opportunity to rely on their experiences, wisdom and prestige to carry out the restructuring. Therefore, we must be resolute, surmount difficulties in and obstacles to the restructuring and strive for victory in the restructuring.

With regard to the current restructuring, Comrade Deng Xiaoping clearly noted: In a certain sense, restructuring administrative organizations is a revolution. However, this is aimed at revolutionizing administrative organizations and the system, and it is not a revolution against people. This is a very penetrating judgment which clearly points out the character and the mission of this revolution. Of course, it is not a political revolution in which one class overthrows another class. We have drawn a conclusion from the "Great Cultural Revolution," which was a civil disturbance: Under the socialist conditions, this kind of political revolution had neither an economic basis nor a political basis. In this sense, we deem that restructuring administrative organizations is imbued with a revolutionary character. This is because the restructuring is aimed at reforming those parts of our party and government organizations that are incompatible with our socialist modernization programs. In other words, this is a revolution against overstaffed organizations, irrational systems and all sorts of bureaucratism. There should be no misunderstanding of this point. A revolution that is imbued with this kind of character must be carried out under the leadership of our party and through the socialist system. Moreover, we must adopt measures that conform to the PRC Constitution and the party constitution so that we can carry out a well-guided, systematic and orderly revolution and further improve and strengthen, within the framework of the leadership system, the state system of the people's democratic dictatorship. This is essentially the socialist superstructure going through a process of self-regulation and self-perfection to eliminate its own defects. It is imperative to go through a long process in turning those relatively imperfect and unsound parts of our country's socialist superstructure into relatively perfect sound ones. The development of socialist productive forces will certainly require the timely and resolute reform of those specific systems that hamper the development of the productive forces. This is the demand made of us by the logic of historical development.

In fact, the basic theory of the current revolution was advanced long ago at the 3d Plenary Session of the 11th CCP Central Committee. The communique of the third plenary session noted: "Carrying out the four modernizations requires great growth in the productive forces, which in turn requires diverse changes in those aspects of the production relationships and the superstructure that are not in harmony with the growth of the productive forces, and requires changes in all methods of management, actions and thinking that stand in the way of such growth. It is, therefore, a profound and extensive revolution." This theory has been further expounded in the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC." The "Resolution" noted: The process, from the implementation of socialism until communism is finally realized, is a great revolution, unprecedented in human history. "Differing from the revolutions before the overthrow of the system of exploitation, this revolution is carried out not through fierce class confrontation and conflict, but through the strength of the socialist system itself, under leadership, step by step and in an orderly way." The "Resolution" added: Our present endeavor to build a modern socialist China constitutes but one stage of this great revolution. Our current restructuring of administrative organizations is precisely a major strategic move at this stage. It essentially demands that we use the revolutionary spirit to thoroughly restructure our country's leadership and management systems including the cadre system. Historical experience gained since the founding of the PRC shows that with the exception of the "Great

Cultural Revolution," which was a civil disturbance, although the streamlining of administrative organizations and the fight against bureaucratism have been carried out many times, the "streamlining" always ended up with more unwieldy organizations and with bureaucratic phenomena as rife as before. Practice has proved that if we just treat symptoms and not the disease, we will never be able to solve fundamental problems. The current accumulated problems in party and government organizations at all levels and also in the cadre system are more serious and complicated than those before the "Great Cultural Revolution." If we are not determined to carry out a revolution, we will not be able to streamline administrative organizations, will not succeed in reforming the management system and the cadre system and will also fail to overcome bureaucratism. If things continue this way, our modernization programs will become hopeless programs and our party and our country will even be in danger of being subjugated.

What, then, are the main contents of this revolution?

First, it is imperative to conscientiously streamline administrative organizations. To promote our socialist modernization programs, all our administrative organizations must have scientific division of labor, clearly define the duties incumbent on each person and post, handle affairs promptly and correctly and reach unanimity through consultation. Therefore, the current restructuring must proceed from actual needs; determine the organic structure, the number of required personnel and the tasks of each organization; and establish a stringent system for checking on working personnel of the state and a stringent system of rewards and penalties for working personnel of the state. Through the restructuring, we must turn our administrative organizations into able and efficient ones and raise work efficiency. We must conscientiously eliminate the malpractices resulting from overlapping and overstaffed administrations with their multitiered departments crammed full of superfluous personnel who have no clearly defined duties in their posts and resolutely overcome the phenomena of shirking responsibility and taking a dilatory and irresponsible attitude toward work.

Second, it is imperative to carry out a fundamental reform of the cadre system. This means abolishing the existing life-tenure system of leading cadres. On the one hand, we must establish a system to enable old cadres to retire, to leave jobs for convalescence or to withdraw to the second line. This system is fundamentally different from "remaining a revolutionary to the end of one's life." On the other hand, we must also pick the good and select the capable for public posts. This means promoting a large number of young and middle-aged cadres to leading posts at all levels and, depending on their integrity and ability, to turn our leading groups into revolutionary, young, learned and professional groups. Only by so doing can we put an end once and for all to the aging circle within leading groups. The key to reforming the cadre system lies in selecting young cadres. We must select good cadres and insist on having cadres who have both ability and integrity. We absolutely must not promote those people who built themselves up by following Lin Biao and Jiang Qing and their partners and by becoming rebels; those people who are imbued with serious factional ideas; those people who were engaged in beating, smashing and looting; and those people who have violated the law and discipline in either the political field or the economic field during the past few years. Such people who have already been promoted to leading posts must be resolutely dismissed from their posts.

Third, it is imperative to do well in training cadres in rotation. According to the new demand set on our cadres by the historical tasks of the new period, our cadres not only must have lofty revolutionary ideals and the spirit of being brave in devoting themselves to the revolutionary cause but must also have competent scientific and cultural knowledge and the professional ability to carry out work. Many of our cadres have met the requirements after tempering and educating themselves over a long period of time. However, a considerable number of cadres, for various reasons, have not met or have not fully met the requirements. Therefore, it is quite necessary to train cadres by stages and in groups, strengthen the building of the cadre ranks, enhance the quality of the cadre ranks and enable our cadres to master the skills needed for organizing domestic economic construction and developing economic relations with foreign countries.

Fourth, it is imperative to lay the foundation for the reform of the whole country's implementation of an overcentralized management system in the economic, political and cultural fields and also in social life, our party and government organizations and departments administered many affairs that should not be and cannot be administered by them, and administered many affairs that can never be successfully administered by them. Therefore, we must take the current restructuring of administrative organizations as the forerunner and further reform the whole country's management system. Affairs that should be handled by enterprises and public units must be resolutely given to such enterprises and units, and such affairs must no longer be handled by party or government organizations. We must also draw a distinction between party and government work and truly change the long-standing phenomena of there being no distinction between party and government work and of the party neglecting party work.

Obviously, the task of completing, within a relatively short period of time, this restructuring, which is of such great revolutionary significance, is a very arduous task. How, then, are we to fulfill this task? A revolutionary cause must be accomplished with a revolutionary spirit. The revolutionary spirit we are referring to is the thoroughgoing revolutionary spirit that embodies the intrinsic quality of the proletariat. The proletariat is the last exploited class in history. Only by emancipating all mankind can the proletariat achieve its own complete emancipation. The historical mission of the proletariat is to remold the whole society and to realize communism. The accomplishment of this great cause demands that within a very long historical period of time, many generations must carry on the struggle unremittingly and with strict discipline, solidarity and the courage to devote themselves to the cause. This is precisely the thoroughgoing revolutionary spirit of the proletariat. As a major strategic move during the historical period of carrying out our socialist modernization programs, the great task of restructuring administrative organizations can only be accomplished with this kind of thoroughgoing revolutionary spirit. The unwieldy administrative organizations we established have become our customary form of management. To reform this form of management, we must change our patterns of action, our mode of thinking and those old habits, ideas and styles which were created by the narrow view of small producers. This is bound to conflict and clash with our own feelings, habits and personal interests. Certainly, the reshuffling of administrative organizations, the division of labor and work coordination in all fields, formulating stipulations concerning the limits of authority and duties and particularly personnel changes that affect tens of thousands of people are all very arduous tasks. In addition, it is possible that some out-and-out individualists and some people with ulterior motives will seize the opportunity to make trouble. Therefore, we have to maintain due vigilance. We must use the revolutionary spirit to overcome all difficulties and obstructions. When this kind of revolutionary spirit is manifested in the guiding thought for the restructuring, it means pressing forward with indomitable will and being fully confident of achieving the inevitable victory. When this kind of revolutionary spirit is manifested in actions for the restructuring, it means being firm and unshakable and also means that no matter how complicated and difficult the conditions are, one must not hesitate or compromise, still less give up halfway. When this kind of revolutionary spirit is manifested in the measures for the restructuring, it means that the criterion of giving all to meet the needs of the revolution and the construction should be adopted, that administrative organizations must be streamlined and that each staff member must be charged with specific responsibilities. When this kind of revolutionary spirit is manifested in the demands set on each individual, it means that every individual must take the interests of the whole into account, set store by the revolutionary cause and subordinate one's personal interests to the overall, long-term and fundamental interests. The current restructuring must meet the following demands made by the party Central Committee: Improve the quality of work and raise work efficiency in all administrative organizations and guarantee a successful realization of our modernization programs. In short, during the current restructuring, we must attach primary importance to having great determination and attach secondary importance to being meticulous in work. We must conduct thoroughgoing and painstaking ideological and political work, and inspire and heighten all party members' and cadres' awareness and sense of discipline in responding to the call of the party Central Committee. However, being meticulous does not mean being overcautious. If we are bogged down in meaningless worries, are pinned down by minor questions, cannot step forward and cannot make a breakthrough, we will not be able to fulfill any major task for the revolution or the construction.

We should especially point out that the presence of our veteran cadres is the major factor that will guarantee the success of this revolution. Our country is a socialist country established after going through a protracted revolutionary war. Our country has a group of veteran cadres who withstood tests in different revolutionary periods and who are now the precious riches of the party and the state. Our veteran cadres performed feats that can never be obliterated, for the party and the people during the war years, during the period of White terror and during the struggles to establish and consolidate state power and to develop the socialist cause. The history of the Chinese revolution and construction has repeatedly proved that veteran cadres of our party are worthy of the title, backbone of the great cause of the Chinese people. However, the life of an individual is limited and the knowledge and experience of an individual are also limited. An individual can only play a certain role for a certain period of time in the long process of history. With the passage of time, many of these veteran cadres, who are still living and in good health, become, after all, senescent and weak. Their ability to shoulder heavy burdens is steadily decreasing. This is a natural law that is irresistible. We must solve in an orderly manner and in a planned way the problem of replacing veteran cadres with new cadres in order to carry forward the cause pioneered by proletarian revolutionaries of the older generation. We must guarantee the continuity of the party's line, guiding principles and policies, the inheritability of the party cause and the maintenance of the situation of unity and stability in our country. If the replacement of veteran cadres with new cadres ends in failure, our party and state may face upheavals once again. All our veteran cadres must take on these important political responsibilities. They should regard completing the current restructuring of administrative organizations, retiring from office or withdrawing to the second line according to regulations, picking the good and selecting the capable for public posts and recommending and promoting able and politically reliable successors as the greatest contributions they can make to the party in their later years and also as their most glorious historical mission. As a big party and a big country, the CCP and China need several dozen veteran cadres to stay at the central leading posts of the party and state so that they can stabilize our battle formation. The several dozen veteran cadres must be world-famous, circumspect and farsighted, have the aptitude of being able to take the whole situation into account and plan accordingly and still be very energetic. Other veteran cadres must gloriously "retire from military service" according to regulations after reaching a certain age. In their later years, veteran comrades must attach primary importance to taking good care of their own health and attach secondary importance to maintaining links with the masses and developing public welfare business. In particular, they should participate in the social activities of educating the younger generation and continue writing and complete their own revolutionary memoirs.

This will be a rigorous test, related to a reform in the fundamental interest of the people of our country, of the party spirit of every party member and cadre. We believe that in this test the great number of our party members and cadres will prove to be loyal to the party, loyal to the people, and not disappoint the expectations of the party and people.

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WILLINGLY SACRIFICE ONESELF FOR THE PARTY'S CAUSE--NOTES ON 'HOW TO BE A GOOD COMMUNIST'

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[Article by Chen Yeping [7115 6851 5393]]

[Text] Liu Shaoqi's "How To Be a Good Communist" stands out as a masterpiece in the Marxist literature of the party and has had a profound impact on our party. In the course of long revolutionary struggle and reconstruction it has helped the healthy development of millions of Communist Party members, and has played a very important role in the establishment of party members' proletarian world outlook, the strengthening of party spirit, the preservation of the party's nature as the vanguard of the proletariat and the raising of the party's fighting force. By studying this brilliant document "How To Be a Good Communist," contained in the first volume of the "Selected Works of Liu Shaoqi," we will come to appreciate the immortality of its thinking and also to realize that it is a sharp weapon that can be used to strengthen the party's construction. It should be used to guide the party's comrades in their efforts to improve self-cultivation in their struggle and self-sacrifice for the completion of the great communist cause.

I

Communist Party members should willingly sacrifice themselves for the party's cause. They must first of all develop an unshakable faith in the invincible nature of the communist cause and the great ideals of communism. Only when one has ideals and faith can one attain a lofty realm of thought, clearly determine the target of struggle and direction for work, protect vigorous and revolutionary ambition, willingly sacrifice oneself for the great communist cause, and struggle one's whole life for the party's cause.

Faithful and unyielding in their commitment, innumerable revolutionary martyrs and old proletarian revolutionaries dedicated their own blood and lives to the heroic cause of opening up the broad revolutionary path. The revolutionary martyr Xia Minghan righteously shouted: "As long as we are right it does not matter whether or not you decapitate me. You may have killed Xia Minghan but there will always be others to take my place." Filled with the faith the martyrs had in the invincible cause of communism, these resonant words express a boundless faith in those "people who will take my place." It was their commitment to the communist ideal and their faith in the certain victory of the communist cause that allowed them to have such lofty sentiments and to willingly dedicate, without any fear of hardship or sacrifice, all their energies and even their life to the communist cause. The vast majority of party members today, whether they be party members who withstood the test of war and the period of White terror or those who joined the party during peacetime, all of them are filled with confidence in the cause of the martyrs and old revolutionaries. They will struggle resolutely and tirelessly for the lofty ideal of communism and using the sweat of their own arduous labor, they will write the glorious historical poem that the martyrs left unwritten.

However, there are also a few party members, including certain old party members, whose communist ideals have begun to flag and whose faith has begun to waver owing to the corrosive influence of bourgeois thinking. Caring only for personal gain they have forgotten the aim of communism and have no concern for the future of either the party's or country's cause. Some even go so far as to say, "Ideals, ideals--if there is no profit it's not worth thinking about; future, future--forget it if there is no money." Some people are dispirited, losing confidence and becoming depressed as soon as they run into difficulties or suffer a setback. As soon as they see the bleak side of a situation they either lose all hope and become pessimistic or stand to one side spreading negative feelings. It is quite clear that such ways of thinking have nothing in common with the lofty spirit of the revolutionary martyrs. Anyone who has such an attitude cannot be called a member of the proletarian vanguard.

Struggling through to the end for the communist ideal is the loftiest of our party's principles and is the sacred and lifelong task of all party members. As Comrade Liu Shaoqi said, "It is our responsibility to follow the laws of human social development and promote the development of the communist and socialist causes so that communist and socialist society may soon become a reality." ("Selected Works of Liu Shaoqi," Vol 1, p 123) Whether a communist is worthy of the name hinges primarily on whether he has the determination to struggle to the end for the communist cause and whether or not he will willingly sacrifice his life to the party's cause without a moment's hesitation. Irrespective of the time or circumstances, every true communist should maintain an unshakable faith in the invincibility of the communist cause and should adopt the heroic attitude of "sacrifice for the revolution." Striving to overcome all difficulties that obstruct their heroic advance, the communist should work for the thorough victory of the communist cause and must be willing to shed his own blood in writing this new chapter.

The communist cause marks a completely new stage in human history. It is inevitable that as it advances forward it will run into various problems and difficulties. This was true during our country's period of democratic revolution as well as during the period of socialism. During the 32 years that have passed since the founding of the PRC, we have had both the experience of success and the lessons of failure, times of smooth development and also times of serious setback. Certain mistakes made in the guidance of our work have been detrimental to our cause. Some unhealthy thinking and work styles still exist in our party, seriously damaging the relations between the party and the masses. The 10 years of destruction brought about by the counterrevolutionary cliques of Lin Biao and Jiang Qing were catastrophic for both the party and the people of the whole nation. We should adopt an attitude of historical materialism in dealing with these difficulties and setbacks, and should reach a correct understanding through analysis based on seeking truth from facts. We must certainly not allow these mistakes and shortcomings in our party's work to undermine our firm faith in the party. Even less should we see the catastrophic destruction wrought by Lin Biao and the "gang of four" as the product of the socialist system itself. Whether or not a party is a truly Marxist political party depends not on whether or not it makes mistakes but on whether or not it has the courage and strength to overcome its own mistakes. The question, therefore, is not whether complications occur during the forward march of socialism, but whether or not we can draw the lessons and summarize the experiences of these complications and continue to move forward along the correct road. Facts show that our party is not only good at following the tide of history, courageous in fighting the forces of evil, and overcoming difficulty and hardship, but also dares to reveal its own shortcomings and errors, and actively seeks to correct and overcome them. Especially since the 3d Plenary Session of the 11th CCP Central Committee, our party has pursued a policy of bringing order out of chaos, establishing a Marxist ideological, political and organizational line and determining a series of important principles and policies. By correctly summarizing historical experience, our party has found a path toward socialist modernization that suits the national characteristics of our country. As a result, the national economy is now advancing healthily and steadily along the correct track. Our future prospects are glorious. Our cause has great hope. Feelings of pessimism, hopelessness and dispiritedness are all incorrect.

Addressing himself to those comrades who lacked ambitious ideals and a practical spirit, Liu Shaoqi in "How To Be a Good Communist" emphasized that, "We Communist Party members must have the highest goals in our struggle and the highest ideals, while at the same time we must have a practical spirit and do real practical work." "Only by combining the great and lofty ideals of communism with a real practical spirit can one be a good communist." (ibid., pp 128-129) These words still have great significance today and merit serious attention. A person without lofty ideals will never be anything more than a shortsighted and ineffectual mediocrity. A person who lacks a practical spirit and does no real work will be a prattling onlooker. Grand and imposing buildings are always built brick by brick. The success of an undertaking does not come about through talking, even less through waiting, but depends on real work. While communism has lofty ideals, if these ideals are to be realized each item of work must be carried out in a concrete fashion. For this reason, a Communist Party member must combine these lofty ideals with a determination to do a good job of one's own work. Our country is now going through a historical period of great change and development, moving from chaos into order and from poverty into wealth. The whole party and the whole nation is involved in the struggle to create a powerful socialist nation with a high degree of material and spiritual civilization. Communism must inevitably pass through this stage; it is an indispensable aspect of the communist cause. Only when this historical task has been completed will it be possible to provide the material base and spiritual conditions necessary for the realization of true communism. Every party member should devote himself to the party's cause and should have concern and deep love for this cause. Dedicated heart and soul to the same cause they must struggle in an earnest and down-to-earth way. And by working selflessly at their posts and by scoring outstanding results they will be able to make a personal contribution to the four modernizations.

II

The personal interests of a Communist Party member must be sacrificed unconditionally to the interests of the party as a whole. It might at times be necessary to sacrifice personal interests in order to protect the interests of the party. This basic demand that personal interests be sacrificed for the party's cause is a principle that should govern the thinking and deeds of every Communist Party member. It is a condition that every Communist Party member must satisfy.

Our party is a political party that works wholeheartedly for the interests of the people. Aside from the interests of the working class and the people as a whole, the party has no special interests of its own. A party member who pursues his own special interests at the expense of the interests of the party and the people is not a true Communist Party member. A true Communist Party member must correct the relationship existing between his own personal interest and the party's interest and must, irrespective of time or place, put the interests of the party before his own individual interests. Our party has always acknowledged the individual interests of party members and has done as much as possible to accommodate these interests and to help resolve practical difficulties. However, at no time is it permissible to place these individual interests before those of the party or to sacrifice the interests of the party for those of the individual. Whenever a contradiction emerges between the party's interests and those of the individual, one must be willing to protect the party's interests without the least hesitation and voluntarily sacrifice one's own individual interests, and even one's life. This provides us with an important criterion for measuring whether or not a Communist Party member has the true party spirit.

If a party member's personal interests are to be unconditionally subordinated to the interests of a party, it is essential for each party member to have a lofty and selfless moral character and strive resolutely to overcome every form of individualism. Individualist ideology is rampant among certain comrades and has in some cases given rise to the corruption of extreme individualism. These people see the party's interests and lofty ideas as being empty and without relevance to their own lives. "Material benefits" are the only things they recognize. They fight for position and special treatment, demanding both official posts and authority; if they are unable to reach their goal they lose faith in the party and begin sulking and complaining. They pursue a life of luxury and ease; caring nothing for either the policy or principles of the party, they use every means possible to win favors for their families and sons and daughters. Their minds are obsessed with thoughts of advantage and material profit; they refuse to exert themselves if there is no profit to be had. They continually watch out for money, pull strings, go through the back door and engage in other crooked practices. Some people have no qualms whatsoever about various illegal practices such as using official privilege for private gain, speculation and profiteering, corruption, smuggling, bribery and even embezzling state property. Their deeds have already sullied the glorious reputation of Communist Party members, and there are some people who are becoming or have already become nothing more than common criminals.

Whether one performs one's duties honestly or decides instead to seek personal gain is the fundamental difference between the proletarian and capitalist world views. Personal gain is the very nature of capitalism and has nothing in common with proletarian ideology. Communist Party members are vanguard fighters who oppose the capitalist class and any other exploiting class. After overthrowing the exploiting class, how could these vanguard fighters possibly adopt the capitalist class' emphasis on profit as an article of faith? Individualism forces people to forget collectivism and Marxism and gives rise to the lust for personal gain. The history of our party is not without examples of the disgrace and ruin brought about by individualism, and we should take careful note of these painful lessons.

The problem now facing us is that if individualism is to be overcome, party members and cadres must be able to handle and employ their authority of office in a correct way and must under no circumstances use this authority to serve personal ends. Many members of our party hold important leadership positions or exercise a certain amount of authority at their work posts. It must be understood that this power has been conferred upon them by the party and the people in accordance with the needs of work and that in exercising this power they represent the party and government. No matter how great one's power might be, one always has a duty to serve the people and under no circumstances does one have the right to use one's authority of office for personal ends or to commit other illegal acts. Seeing the authority conferred by the people as a privilege and abusing this privilege for private gain violates the aim of the party, betrays the trust of the people and damages the prestige of the party among the masses. A Communist Party member must be faithful in the discharge of his duties no matter what the job. He must be rigorous in carrying out the responsibilities of his office. Using the power conferred upon him by the people to serve the people, he should become a diligent and conscientious public servant who lives up to the trust and expectations of the party and people through his own exemplary behavior.

III

If we are to sacrifice ourselves for the party's cause, we need to constantly cleanse ourselves of the dirt on our bodies, dare to carry out struggles against all erroneous ideologies and unhealthy tendencies, adhere to truth, rectify mistakes, distinguish between right and wrong, be open and aboveboard, and struggle to maintain the purity of the ranks.

Our country is in an historical period where we are carrying forward the revolutionary cause and forging ahead into the future. Profound social changes are taking place. Under such circumstances, all kinds of ideologies and tendencies will emerge. Capitalist and feudal ideological influences constantly come to the fore. The venom of Lin Biao and the "gang of four" has not yet been thoroughly eradicated. This, together with the fact that we are expanding contacts with foreign countries, enables the bourgeois ideology and lifestyle to corrupt some of our comrades. At present, the struggle between corruption and anticorruption is a struggle to uphold the purity of the party and sternly tests party members. Consequently, party members should, as required by Comrade Liu Shaoqi, strengthen self-cultivation on all sides, self-consciously resist the corruption of bourgeois and all nonproletarian ideological styles, and struggle against all phenomena that endanger the interests of the people.

Bourgeois ideology and various unhealthy influences are always present. However, they do not necessarily affect everybody. It all depends on whether that person's resistance is strong. The existence and size of this resistance, though there are many factors involved, depend primarily on whether you can be like a person who washes his face and sweeps the floor every day, that is, can constantly cleanse your body of political dirt. By self-consciously examining and overcoming your own shortcomings and errors, you will be adopting a sure way of improving yourself and doing your work well, and this will be a significant sign of being responsible to yourself and the people. Some comrades are reluctant to face up to their own shortcomings and errors. They always like to regard themselves as "consistently correct," have blind faith in themselves, claim credit for themselves and are arrogant, try to save face at the expense of truth, like to be flattered and dislike criticism. This attitude makes them dirty all over and causes them to degenerate further and further along the path of error. Owing to differences in background, experience, ideology, moral character and level of consciousness, everyone is bound to have one weakness or another, and this is bound to give rise to one or another shortcoming or error. No one is perfect in this world. Therefore, every comrade must know his own limitations and look at himself from the point of view that in everything one divides into two. He must constantly carry out self-criticism and self-transformation, cast off all burdens, travel light, raise his consciousness, increase his party spirit and be happy to perform the various items of work assigned by the party.

A good Communist Party member must not only dare to struggle against his own shortcomings and errors, but also dare to struggle against the various erroneous ideologies and unhealthy tendencies. At present, there are some party members who are pursuing a vulgar philosophy of life. They say that "making one more friend means having one more opportunity, while offending one more person means having one more obstacle" and "we should plant more flowers and less thorns, because work is easier if you spare other people's feelings." In the face of right and wrong, they fail to take a clear-cut stand, are not determined enough in their attitude, and fail to take charge of what they should take charge. They fail to criticize what they should criticize and fail to restrain and struggle against erroneous ideological tendencies, allowing them unbridled freedom and even join with them and get soiled. This attitude of "you're all right and I'm all right, so let's not interfere in each other's business" does not befit a member of the Communist Party. When considering and dealing with problems, Communist Party members should proceed from the interests of the party and not from personal loss and gain. In the face of principles and of right and wrong, they must take a clear-cut stand and be resolute and not vague. As for erroneous ideologies and unhealthy tendencies which are detrimental to the party and the people, Communist Party members should step forward bravely, stick to their principles and carry on the struggle. No matter whom they are dealing with, they must take charge of what they must take charge, criticize what needs to be criticized and restrain what must be restrained. They must on no account adopt an attitude that is liberal and which abets evil by tolerating it, or allow erroneous things to develop and spread. As long as it is for the sake of upholding the interests of the party and people, they should struggle against evil phenomena, even if this means offending some people or suffering themselves some temporary loss. It is worth doing so; ultimately, they will get the support and protection of the party and the people. If, when they know something to be wrong, they think it best not to comment and sacrifice the interests of the party in order to win over someone's "feelings," that will be a sign that they have abandoned their principles and soiled the party spirit, something which is incompatible with the glorious title of Communist Party member. All of our party's comrades must carry forward the revolutionary spirit of being selfless and fearless and carry out an unrelenting struggle to correct the party's work style, promote the people's work style and maintain the party's prestige. They must play an exemplary role in restoring and carrying forward the fine tradition and work style of the party and in building a socialist spiritual civilization. They must be Communist Party members in the real sense of the word.

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IT IS IMPERATIVE TO RECTIFY STUDY STYLE WHILE RECTIFYING PARTY STYLE--READING VOLUME ONE OF 'SELECTED WORKS OF LIU SHAOQI'

Beijing RED FLAG in Chinese No 6, 16 Mar 82 pp 10-13, 20

[Article by Ma Wenrui]

[Text] Comrade Liu Shaoqi was a great Marxist-Leninist who made outstanding contributions to the shaping and development of Mao Zedong Thought. The publication of volume one of "Selected Works of Liu Shaoqi" has added valuable spiritual wealth to our party and people. Moreover, this work is permeated with a very important idea, that is, the good study style of integrating theory with practice. When studying the "Selected Works of Liu Shaoqi," we should properly study this Marxist study style, conscientiously rectify party style, and effectively strengthen and improve party leadership on various fronts.

I

The question of study style is closely related to the question of party style. Only if we have the Marxist study style of integrating theory with practice can we gradually foster the Marxist style of thinking and style of work. If we go against this principle, we will inevitably become separated from reality and from the masses, and even hurt the interests of the people and go against the Marxist style of thinking and style of work. As Comrade Mao Zedong said: "Study style is a question of the ideological method of comrades in our leading bodies, of all cadres and of party members, a question of our attitude toward Marxism-Leninism and of the attitude of all party comrades in their work." ("Selected Works of Mao Zedong," Vol 3, p 771)

Comrade Liu Shaoqi was a paragon in upholding the Marxist study style and he made many brilliant expositions on the question of study style. He said: "We must modestly study the Marxist-Leninist stand, viewpoint and method, study the noble proletarian quality of the founders of Marxism-Leninism, and apply all this in our practice, in our words and deeds, our daily life and work, constantly correcting or eliminating anything in our ideology contrary to it, and strengthening our own proletarian communist ideology and character. This means that we should listen modestly to the opinions and criticisms of our party comrades and of the masses, make a careful study of the practical problems in our life and work, carefully sum up and draw lessons from our experience in work. In light of all this, we should ascertain whether our understanding of Marxism-Leninism and our use of the Marxist-Leninist method are correct, and check up on our shortcomings and mistakes so as to overcome them and improve our work. Furthermore, on the basis of new experiences we should ascertain whether there are any individual conclusions or aspects of Marxism-Leninism that need supplementing, enriching and developing. In short, we must integrate the universal truth of Marxism-Leninism with the concrete practice of revolution." ("Selected Works of Liu Shaoqi," Vol 1, p 110; hereafter only the page number will be given) Here, Comrade Liu Shaoqi put forward three basic demands for upholding the Marxist study style: 1) use Marxism to purge all things contrary to this in our ideology; 2) use Marxism to examine the shortcomings and mistakes in our work and correct them; and 3) develop Marxist principles in the light of the new experience. If all our party members, especially the party's leading cadres, can examine their own thinking and work on the basis of these three demands, conscientiously and not perfunctorily carry out criticism and self-criticism, and overcome unhealthy tendencies together, our party style will certainly take a quicker turn for the better and we will certainly create a new situation in various items of work.

At present, some of our comrades are, to varying degrees, affected by the problem of impure work style, and this work style is closely related to their incorrect study style. This is mainly manifested in the following three aspects.

First, they are politically unable to completely fall into line with the CCP Central Committee. Some of them suspect and resist the line, policies and principles of the party since the 3d Plenary Session of the 11th CCP Central Committee, or verbally support them but act otherwise. Some of them go against the four basic principles, disregard party discipline and practice bourgeois liberalization. Practice has already fully proved that the four basic principles and the line, policies and principles of the party since the 3d Plenary Session of the 11th CCP Central Committee are completely correct. Why is it that some of our comrades still do not understand them at present and even go against them? They have one trait in common, that is, they are unable to use the correct attitude of integrating theory with practice in dealing with Marxism-Leninism-Mao Zedong Thought. As Comrade Liu Shaoqi pointed out: These people "have a lot of old junk accumulated in their heads and many stubborn habits, prejudices and selfish desires, and lack the determination to remold themselves." (p 114) "These people are absolutely incapable of guiding their lives by the principles of Marxism-Leninism, and hence incapable of dealing with practical problems promptly, correctly and realistically according to these principles; sometimes they even adopt a negative attitude when practical problems have already been correctly solved according to these principles by the party organization, or by comrades other than themselves." (p 115) Today, are not some of the comrades with "leftist" and rightist erroneous tendencies clinging to their "stubborn habits, prejudices and selfish desires" and "adopting a negative attitude" toward the correct leadership of the CCP Central Committee? This attitude is dangerous and intolerable and must be quickly corrected.

Second, they have a bureaucratic style. At present, some of our cadres are suffering from the bureaucratic style of languidness, indulging in rhetoric and divorcing themselves from the masses and from reality. This style is completely incompatible with seeking truth from facts and the mass line consistently maintained by our party. Comrade Liu Shaoqi in his work "The Leadership Style That Eliminates Empty Talk" sharply criticized some comrades for their bad style of "using a bureaucratic and rhetorical attitude in dealing with party resolutions." (p 45) Those comrades with bureaucratic style will also rhetorically talk about supporting the line, policies and principles of the party, serving the people wholeheartedly and making contributions to the four modernizations. The problem is that what they say is one thing and what they actually do is another. We must get rid of the bureaucratic style and arouse our revolutionary spirit. We must truly adopt necessary organizational measures, but, what is more important, we must call on every party member and cadre to restore and carry forward the Marxist study style of integrating theory with practice.

Third, they use their power for private ends. This is another significant sign of impurity in the work style of some comrades, and it is also a problem the masses are deeply dissatisfied with and worried about. Comrade Liu Shaoqi repeatedly said that the proletarian nature of our party determines the sole objective of our party, which is to serve the people wholeheartedly. Our party members and cadres must never use their position and power to seek private gain. He pointed out: "Our revolution is not for getting a wife, getting food or getting into the limelight, but for the sake of emancipating the masses. Everything is for the masses; otherwise, the revolution will be meaningless." (p 234) "One must never regard the Communist Party as a narrow clique, like a guild pursuing the interests of its members. Anyone who does so is not a communist." (p 134) He called upon "every party member to use proletarian ideology to combat whatever nonproletarian ideas he has, use the communist world outlook to combat whatever noncommunist world outlook he has, and use the principle of the supremacy of the interests of the proletariat, the people and the party to combat his inadequacy." (p 121) Quite obviously, whether one serves the people wholeheartedly on takes advantage of one's position and power to seek private gain is a question of world outlook as well as a question of Marxist study style.

II

To rectify the style of study, it is imperative to oppose dogmatism and empiricism. Dogmatists reduce revolutionary theory to a rigid dogma. They do not understand that theory comes from practice and must be integrated with practice, and also must be examined and developed in practice. Comrade Liu Shaoqi called these comrades "lame Marxists." Empiricists regard their own narrow experience as universal truth. They do not understand that revolutionary practice cannot be separated from the guidance of revolutionary theory. Therefore, they are unable to stand high or see far, and might even lose their bearings. Comrade Liu Shaoqi called these comrades "crawling Marxists." Dogmatism and empiricism are both characterized by a division between the subjective and the objective and by the separation of theory from practice. They are both subjectivism, and they both run counter to the

Marxist style of practice. Dogmatism and empiricism often depend on, and take advantage of, each other. Just as Comrade Liu Shaoqi pointed out: Dogmatism "can browbeat and mislead many worker and peasant comrades and immature young comrades; even very mature comrades who are very experienced in work but immature in their ability to discriminate in theory, are frequently tricked and captivated by them. Therefore, they can put the party cause in serious jeopardy." (p 299) This analysis made by Comrade Liu Shaoqi in opposing dogmatism and empiricism is identical to the exposition made by Comrade Mao Zedong.

Our party suffered incalculable damages and paid a heavy price as a result of dogmatism and empiricism. Comrade Liu Shaoqi's correct thesis on opposing dogmatism and empiricism was precisely summed up from the historical experiences of our party. This judgment has again been borne out in practice since the smashing of the "gang of four." The comrades who put forward the erroneous policy of "two whatevers" held that the things said by Comrade Mao Zedong were unchangeable. Apart from other factors, judging from their method of thinking, this is also a dogmatic tendency. If some people on the top put forward this erroneous policy, those comrades below whose theoretical foundation was not strong and who simply worked in accordance with the instructions and narrow experiences of those at the higher level naturally blindly followed. This resulted in the situation of 2 years of uncertainty in work. By discussing the question of the criterion of truth and particularly by the work of bringing order out of chaos carried out since the 3d Plenary Session of the 11th CCP Central Committee, the erroneous policy of "two whatevers" has been basically rectified. However, these two erroneous tendencies of dogmatism and empiricism still exist. For example, on the ideological and theoretical front, some comrades have not devoted their main energy to studying the new situation and new problems in the building of socialist material civilization and spiritual civilization, and have not paid attention to theoretically expounding the four basic principles and the line, policies and principles of the party, or to solving the problems in actual work and in the life of the masses. Rather, under the banner of emancipating the mind and breaking through forbidden areas, they have hankered after the ancient bourgeois skeleton and fashionable things of the West and placed blind faith in the foreign dogmas of capitalist countries, as though all academic and cultural things of the Western countries were good. In actual work, some comrades have looked down on theory and showed no interest in Marxism-Leninism-Mao Zedong Thought. They have paid even less attention to conducting a Marxist analytical study of problems in actual work. Consequently, they are unable to break out of the framework of narrow experience, blaze new trails or create new situations. In the examination, promotion and employment of cadres, they have not considered the consciousness and level of Marxism to be an important condition, and have even erroneously regarded some cadres who have theoretical training as "bookworms," as though cadres with a theoretical level will inevitably be dogmatic and incapable of doing actual work.

After the Yanan rectification campaign, Comrade Liu Shaoqi pointed out at the seventh party congress: "Having overcome thought-stifling dogmatism in the party, we must make further efforts to remove the obstacle of empiricism and start a campaign in the party to study Mao Zedong's theory of the Chinese revolution. We may then anticipate a great upsurge of Marxist culture in the party." (p 337) This analysis by Comrade Liu Shaoqi is also applicable to today's situation. In recent years, in opposing the "two whatevers" and in developing the discussion of the criterion of truth, the tendency toward dogmatism has been criticized, but the tendency toward empiricism has still not been properly criticized. At present, some cadres do not understand the policies and principles adopted since the 3d Plenary Session of the 11th CCP Central Committee, and some intellectuals, particularly young people, are suspicious of the four basic principles. All this, of course, has something to do with being divorced from reality, but an even more important reason is the lack of education and training in Marxism-Leninism-Mao Zedong Thought. Therefore, in continuing to oppose dogmatism, we should at the same time pay special attention to the empiricism which looks down on theory. Starting with the leadership organs and cadres, we should urge the broad masses of party members and cadres to conscientiously study Marxism-Leninism-Mao Zedong Thought.

To rectify the style of study, it is also imperative for there to be no discrepancy between words and deeds. What Liu Shaoqi meant by no discrepancy between words and deeds was: "Their speech is Marxist and their actions are also Marxist." (p 296) This requires our party members and cadres to always adhere to the Marxist world outlook of dialectical materialism and historical materialism, conform to the norms of communist ideals, conviction and morality, and use them to guide our words, deeds, work and lives. Only in this way can we play the role of vanguards of the proletariat in socialist modernization. Otherwise, we will become divorced from the party and people and make this or that kind of mistake. The people are most realistic, and they often appraise our party by the actual actions of the party members and cadres. Therefore, whether there is an accord between words and deeds among the party members and cadres has a powerful influence on the masses. Some of our comrades talk Marxism and also preach Marxism to others, but their actions are not Marxist. What they preach to others is Marxism, but what they practice is individualism and liberalism. This has damaged our party's image among the people.

The Marxist style of study requires us to seek truth from facts, to be loyal and honest, to speak the truth and to be pragmatic in work and opposes the unhealthy style of indulging in empty talk and using high-flown words. Engels said: "All revolutionary high-flown words and clamoring will inevitably lead to defeat." ("Collected Works of Marx and Engels," Vol 36, p 540) Comrade Liu Shaoqi said: "Certainly we must study theory, but we also practice what we learn. The study is for the sake of practice." (p 111) In accordance with this teaching, we must study Marxism, practice Marxism, make words accord with deeds and think and act in a unified way to set a good example for the masses, and lead all the people in progressively and solidly fostering a fine social atmosphere.

III

For the sake of rectifying study style, it is also imperative to adopt effective measures in the direction of organizational leadership.

First, we must organize the party members and cadres to conscientiously read books. Comrade Liu Shaoqi said: "Party members must bury themselves in books and studies. This is not an expression of the 'academic school,' but what every party member engaged in the study of Marxism-Leninism must do. Anyone who is more accomplished in Marxism-Leninism must go through this stage of burying himself in books and studies. This was particularly the case with Marx and Lenin." (p 219) Comrade Liu Shaoqi on many occasions mentioned that for most party members, inadequate theoretical training was a great shortcoming of our party, and this led to mistakes in guiding ideology on several occasions in the democratic revolution. In the 30 years and more since the founding of the People's Republic, we have also encountered setbacks and the 10 years of internal disorder. These have likewise been caused by mistakes in guiding ideology as a result of mistakes in theory. At present the CCP Central Committee has already correctly summed up the historical experiences and accomplished the historical task of bringing order out of chaos in the guiding ideology of the party. However, to enable our whole party to properly digest and assimilate these experiences and accomplish the historical task of bringing order out of chaos in the thinking and work style of the whole party, we must also advocate the conscientious reading of books and the comprehensive and accurate mastering of the basic principles of Marxism-Leninism-Mao Zedong Thought. In the first half of this year, our party members and cadres of Shaanxi must continue to master politics and economics in accordance with the arrangements of the Central Committee. Beginning from the second part of the year, they must conscientiously study Marxist philosophy, further enhance their consciousness and level of Marxism in world outlook, and unify their understanding and action.

Second, we must correctly develop criticism and self-criticism. At present, there are many problems in party style and study style. How can we solve them? We must conscientiously take up this weapon of criticism and self-criticism. Comrade Liu Shaoqi laid special emphasis on self-criticism by the leadership cadres. He pointed out: "Experience proves that wherever a comrade in a responsible position seriously practices sincere and necessary self-criticism before the party membership and the masses, criticism and self-criticism by the people and the party membership, they will also develop, their enthusiasm will be heightened, their internal solidarity will develop, their work will improve and their defects will be overcome. At the same time, the prestige of the responsible comrades will increase instead of being undermined." (p 364) Therefore, whether criticism and self-criticism can be properly developed has a great deal to do with whether the party members and leadership cadres have the spirit of conscientiously carrying out self-criticism. Leadership cadres of our party at various levels must set the pace in carrying out self-criticism in daily political life for the purpose of rectifying their study style and party style.

Third, we must carry out thoroughgoing investigation and study under the guidance of Marxism-Leninism-Mao Zedong Thought. Comrade Liu Shaoqi said: "To authentically reflect conditions and independently make decisions, we must go everywhere to look and make inquiries, and we must read the works of Marx and Lenin and do a great deal of research." (p 405) In the last 2 years, there has been a great interest in investigation and study with the impetus given by the leading comrades of the Central Committee. However, judging from conditions in Shaanxi, there is still not enough investigation and study with the leadership comrades personally taking a hand in the work, especially in the direction of economic work. Even if certain investigations have been carried out, they are mostly sporadic and perfunctory and seldom thorough and meticulous. More attention has been paid to investigation and less attention has been paid to study. There are many problems which have been posed by understanding conditions but there have been few schemes based on serious analysis, proposed for solving problems. Comrade Chen Yun has called on our leadership organs and leadership comrades at various levels to devote more than 90 percent of their time to investigation and study and less than 10 percent of their time to policymaking. Our local party committees should devote more than 90 percent of their time and energy to inspecting and directing the implementation of party policies and principles and less than 10 percent of their time and energy to making arrangements for work. Only in this way can we improve our level of Marxist leadership and can we propose and implement plans, schemes and measures consistent with objective reality and effectively fulfill various tasks of the party.

Fourth, we must use the criterion of integrating theory with practice to examine theoretical study by party members and cadres and set up the necessary system of rewards and penalties. The principal content of the examination is to judge whether the cadres can use Marxism-Leninism-Mao Zedong Thought in directing their own words, deeds, work and lives. As Comrade Mao Zedong and Comrade Liu Shaoqi repeatedly stressed, we must regard the ability to understand and implement Marxism as an important condition in the selection and employment of cadres. Comrades who do not study or who have not done well in studying Marxism-Leninism-Mao Zedong Thought, and whose words and deeds are at complete variance, should be criticized and should not be allowed to hold important posts. Those who are diligent in their study and can correctly adjust their deeds to their words should be commended, rewarded and promoted.

At this historical turning point, fresh study is of especially great significance. Comrade Liu Shaoqi said: "How can we rectify our past mistakes? All comrades should study. They should study past experiences, study the theories of Marxism-Leninism and study the methods of Marxism-Leninism. Only in this way can we go forward." (p 71) I am of the opinion that as long as we do as Comrade Liu Shaoqi said, we will certainly be able to restore and carry forward our fine party style and study style and keep on scoring fresh triumphs in our socialist modernization.

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HOW DOES THE CAPITAL IRON AND STEEL COMPANY CARRY OUT ITS ECONOMIC RESPONSIBILITY SYSTEM?

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[Report by the joint investigation team of the System Restructuring Office and the Economic Research Center under the State Council]

> [Text] Editor's note: The Capital Iron and Steel Company has achieved remarkable results in carrying out its economic responsibility system and has thus provided us with valuable experience in perfecting the economic responsibility system in our industrial enterprises and promoting the overall reorganization of our enterprises. In the Capital Iron and Steel Company, the economic responsibility system has been carried out in combination with fulfilling in an overall manner the state plan, and thus the relationship between the interests of the state and the enterprise has been correctly handled. By combining the implementation of the economic responsibility system with the improvement of administration and management, the company has correctly handled the relationships between all its sectors. Moreover, by combining the implementation of the economic responsibility system with the carrying out of the principle of distribution according to labor, the company has correctly handled the relationships among its staff members and workers. All localities should pay attention to learning from the experience of the Capital Iron and Steel Company in carrying out the economic responsibility system.

The Capital Iron and Steel Company is a large-scale iron and steel integrated complex. It is one of the key enterprises where the expansion of enterprise decisionmaking power was first carried out on a trial basis. Over the past few years, the various basic tasks in the enterprise have been strengthened, the system of personal responsibility has been restored and perfected, and production management has been improved. This was especially true during the latter half of 1981, when the company established the economic responsibility system that combined responsibility, power and interests and brought about another great change in the enterprise. As a result, the broad masses have become more concerned for their enterprise, their sense of responsibility as masters of their enterprise in making greater contributions to the state has been intensified, and their spirit in cooperating in a united manner and in striving to scale new heights has further developed. Improving the administration and management has become the conscious demand of the staff and workers. They have done a better job in carrying out and improving the original managerial system and have succeeded in shifting the focus of the production and management activities of the enterprise onto improving economic results, resulting in a remarkable rise in the economic results of their enterprise. For example, during the first half of 1981, their monthly profit averaged 23 million yuan, and from August to December of that year the profit of each of the 5 months exceeded 30 million yuan. Thus they set a new record of the amount of yearly profit that they handed over to the state. Among the 52 comparable technical economic indexes, 30 have been raised to the advanced domestic level and 6 to the international level.

In carrying out the economic responsibility system, the Capital Iron and Steel Company has followed a correct orientation and a correct path and has thus achieved good results. It has provided very useful experience in establishing and perfecting the economic responsibility system and we should attach importance to its experience.

I. Giving Priority To Fulfilling in an Overall Manner the State Plan

In the course of implementing the economic responsibility system, it is an important matter of principle for an enterprise to ensure the overall fulfillment of the state plan. In 1981, owing to the needs of readjusting the national economy, the Capital Iron and Steel Company was required by the state plan to reduce its output of iron and steel by 360,000 tons less than that of 1980. This meant a cut of 4.7 percent in steel output and a cut of 7.6 percent in iron output. Nevertheless, the state plan also demanded an increase in the profit to be handed over to the state by 270 million yuan, which was 22 million yuan more than that in 1980. Faced with these contradictory requirements, what should the company do? Should it insist on changing the state plan by stressing the difficulties, or should it consciously shoulder the responsibility and conscientiously find ways to fulfill the plan? After repeated discussions, the CCP committee of the company was of the opinion that fulfilling the production plan and financial tasks of the state is an unshirkable duty for a socialist enterprise, and that people had to fully estimate the latent potential in the enterprise as well as the difficulties in fulfilling the tasks. It mobilized the masses to make budgetary calculations in 18 respects, organized them to analyze the favorable conditions for the production of the enterprise and to do research on ways to increase income and cut expenditure. By so doing, it made them see the possibility of fulfilling the plan and imbued them with confidence in overcoming the difficulties and in completely fulfilling the state plan.

How did the Capital Iron and Steel Company completely fulfill the state plan?

In arranging their production, they have not blindly pursued profit but strictly produced each kind of product in accordance with the state plan whether it was in excess or short supply and whether it was profitable or unprofitable. Regarding products in excess supply, the company has resolutely carried out the plan for reducing their output. In 1980, it reduced its iron output from 2.94 to 2.65 million tons and cut its steel output by 70,000 tons. As for products in short supply, such as pig iron for civilian use, which had only a small profit margin but for which there was an urgent demand in society and for which the state required the company to double the output, the company resolutely fulfilled the plan for increasing its output. It did this despite the fact that pig iron for civilian use was 70 yuan lower per ton in price than iron for use in steel production, and that the fulfillment of the planned target for its production would result in a 2 million yuan reduction in profit.

Where the implementation of the state plan for reducing output might cause a corresponding reduction in profit, in order to ensure the fulfillment of the financial task of handing over profits, the Capital Iron and Steel Company did not copy the malpractices of some backward enterprises that adopted means other than improving administration and management and tapping the potential of the enterprise. Instead it persisted in obtaining income by appropriate means and through proper channels and in conscientiously finding ways to make up for the possible deficit in fulfilling the state plan. First, it tried by every means to conserve energy, reduce the consumption of raw materials, save on various expenditures and vigorously lower production costs. In producing a ton of iron, it used only 514 kilograms of coke, which was 56 kilograms less than the 570 kilograms of coke consumption stipulated by the state. In producing 1 ton of steel, it used only 1,870 kilograms of standard comprehensive fuel, which was 230 kilograms less than the 2,100-kilogram consumption level stipulated by the state. During the latter half of that year, it reduced costs by 5.48 percent after a 3.08 percent rise in the first half of that year over that of the same period the year before, and thus achieved a 2.4 percent net reduction for the year, resulting in a 13 million yuan rise in profit. Second, it conscientiously investigated the market, readjusted its product variety in accordance with market demand, changed the orientation of its services and produced marketable products. At the same time, it vigorously marketed products that had been produced according to the plan but could not be allocated to customers in accordance with the plan. It reprocessed the 192,000 tons of iron it had produced without a contracted buyer and turned the iron into marketable steel billets and steel products. Last year, it sent its staff to 25 provinces and cities to conduct investigations on the steel products needed in manufacturing bicycles and found that there was an urgent demand for strip and slab steel. It supplies the steel for 12 million pairs of wheels to 15 manufacturers of bicycle spare parts. It also signed contracts with 30 manufacturers of bicycles and of bicycle spare parts in 10 provinces and cities for supplying 12 varieties of steel and sold more than 11,000 tons of steel to them. It expanded the sizes of iron pipes it manufactures from 3 to 7, and supplied 17,000 tons of iron pipes to 68 water and gas companies during the latter half of that year. These iron pipes constituted 40 percent of the nation's total output of iron pipes in that period. Throughout last year, the company marketed 14.8 percent of its products. This caused a 20 million yuan rise in profit. Third, it utilized its surplus manpower and technical superiority to open up new prospects for its production. For example, it produced steel structures for housing construction in rural areas and contracted for performing the tasks of processing and overhauling. This caused a 4 million yuan increase in profit. By adopting the above means of saving on expenditures and increasing income, it raised its profits by more than 40 million yuan. As a result, its profits totaled 314 million yuan last year, which was 29 million yuan or 8.2 percent more than in the previous year.

In balancing the interests of the state and the enterprise, the Capital Iron and Steel Company always gave priority to the interests of the state and adhered to the principle of ensuring that the state would get the larger share of the extra profit. In 1981, the profit handed over to the state increased by 8.9 percent over that of the previous year, the profit transferred to the company's reserve funds increased by 7.9 percent, and the profit allocated to the bonus funds for its staff and workers increased by 2.4 percent. The increase in the state's share of the profits exceeded that of the enterprise and that allocated for bonuses. What the state obtained from its increase in profits in 1981 over 1980 was much more than what the company obtained.

The practice in the Capital Iron and Steel Company has proved that so long as we correctly treat the relationships between the interests of the state, the enterprise, and the staff and workers as individuals, and so long as we give full play to the initiative of the enterprises, we will be able to combine the implementation of the economic responsibility system with the intensification of planned management. At the same time, the company has also proved that, under the premise of ensuring the fulfillment of the state plan, the implementation of regulation by market mechanism within a certain scope and the increase of the output of the products needed in the market even by such a large-scale enterprise as the Capital Iron and Steel Company not only will not cause confusion in fulfilling the state plan, but will provide the necessary supplement to the state plan.

II. Implementing the Economic Responsibility System Level by Level Within the Enterprise

In order to ensure that the company discharges its economic responsibility to the state, it must implement the economic responsibility system level by level within the company to combine the interests of the staff and workers with their responsibility and thus make overall fulfillment the common aim of struggle for all staff and workers.

What characterized the Capital Iron and Steel Company's implementation of the economic responsibility system level by level?

1. Allocating the economic responsibility of the company level by level to all its departments and sectors: In the Capital Iron and Steel Company, it was stressed that the economic responsibility system could not really be

regarded as implemented unless the implementation involved specific persons. If a department failed to implement the economic responsibility system in the sectors at its lower levels, it would not be able to discharge its economic responsibility. The company first allocated its economic responsibility to the factories and mines under the company. It required them to do the following things: 1) fulfill the targets assigned to them concerning the number of personnel, profit and increase in profit; 2) ensure the fulfillment of the targets and tasks concerning quality, varieties, contracts, consumption, costs, employment of floating capital, safety in production, protection of the environment and trial-production of new products; and 3) ensure the implementation of coordination inside the company and the fulfillment of the work requirements. While stipulating the economic responsibility of its factories and mines, it adopted the method of transferring part of the profits of the factories and mines to their reserve funds so as to combine their responsibility and power with their interests. Furthermore, the factories and mines allocated their economic responsibility to their workshops, then to their groups and teams, and finally to every staff member and worker. Not only the departments that directly took part in production but all the functional offices have established the system of personal economic responsibility. The main content of this system is: 1) basic duties and work quotas based on professional division of labor; 2) specific tasks performed in conformity with the general tasks of the company; 3) requirements in cooperation and coordination; and 4) development of the basic professional capacity of the offices and the temporary tasks assigned by the leadership. Thus, every department and sector, whether it is a production unit or a functional office and whether it is on or behind the frontline, has been assigned its corresponding responsibility in accordance with the requirements resulting from the relationships and coordination between various production sectors. Every person, whether he is a worker or a cadre, has been assigned in the same way. The system of personal economic responsibility has been established in all the 31 major factories and mines, the 31 offices and the 242 workshops, and for 98 percent of its workers. As a result, the company has become an organic, integrated entity with close links.

2. Persisting in assigning advanced and rational targets to all its production and administrative units and to all its staff and workers: The economic and technical indexes in the Capital Iron and Steel Company are advanced domestically and some of the indexes are even advanced internationally. Under such circumstances, the company has relied on the masses to carry out careful investigation and make scientific forecasts, and thus has succeeded in persisting in assigning advanced and rational targets. Moreover, it has placed even more exacting requirements on its units and people. For example, in 1980 the proportion of coke for the blast furnaces in its ironworks was 443 kilograms. During the first half of 1981, it dropped to 420 kilograms, which was already an advanced index domestically. During the latter half of 1981, when the economic responsibility system was being established, the target was further reduced to 408 kilograms. At the same time, it was required that more than 99.5 percent of the iron produced should be up to standard, that the costs of iron should be reduced by 2.2 percent and that there should be no breaches of contract. All the ironworks succeeded in

meeting these requirements. Furthermore, the proportion of coke dropped to 398 kilograms in the fourth quarter of 1981, and 99.9 percent of the iron produced was up to standard. The establishment of advanced and rational targets encouraged the people at all posts and in all sectors to do their best to choose and employ the best technology, the best operations and the most efficient management possible in order to achieve the aim of increasing economic results. By so doing, they promoted the widespread development of the movement of rationalization proposals and technical renovation and boosted the technical reform of the enterprise. For example, the heavy oil consumption index for the heating furnaces in medium-sized and small steel rolling mills was 22.6 kilograms during the first half of 1981, but the target assigned by the company for the latter half of 1981 was only 20 kilograms. Without technical renovation, it would be hard for them to attain this target. They applied their wisdom and were determined to find a way out by technical renovation. They substituted gas for heavy oil in heating the steel from below, and thus reduced the heavy oil consumption from 10 to 15 kilograms, resulting in a savings of 5,000 tons of heavy oil per annum.

3. Being strict and fair in assessing performance and meting out rewards and punishments: In order to ensure the attainment of the various advanced and rational economic technical targets, the company had to be strict in assessing the performance and be strict and fair in meting out rewards and punishments. Otherwise, the system of personal responsibility would remain only on paper and could not be really implemented. Strict assessment of performance and strict and fair rewards and punishments must be scientifically based. For this purpose, the Capital Iron and Steel Company has established and perfected in an all-round manner its basic work. Using a series of quotas, measurements, original data and statistics, the production results of each post have been calculated in a fairly exact manner. At all its factories and mines, a statistical system was set up to record the performance of every worker, which is publicized daily, analyzed weekly and summed up monthly. An assessment handbook has been introduced to record daily each cadre's performance at his post. The handbooks have to be signed and marked weekly by the leaders at a higher level, and rewards have to be meted out monthly in accordance with the marks.

After the establishment of the assessment system, there was still the problem of whether people were courageous enough to carry it out. The Capital Iron and Steel Company has adhered to the principle of everybody being given an equal standard in performance assessment. All delinquents should be strictly punished without exception, and the practice of avoiding hurting anybody's feelings should be eliminated. The company's clear and definite performance standard, strict assessment system, and strict and fair methods in meting out rewards and punishments has guaranteed the implementation of the economic responsibility system.

The experiences of the Capital Iron and Steel Company has proved that only by persisting in making the targets advanced and rational, in fully implementing the economic responsibility system level by level, and in being strict and fair in assessing performance and meting out rewards and punishments can we mobilize the masses to combine the implementation of the economic responsibility system with the all-round improvement of administration and management. Thus we will be able to tap the internal potential of the enterprises and raise the economic effect.

III. Overcoming Egalitarianism in Distributing Bonuses

In order to implement level by level the economic responsibility system inside an enterprise, we should link the degree of responsibility that a specific staff member or worker is charged with and the results of his labor with the economic results of the enterprise. We should also overcome egalitarianism in distributing bonuses and conscientiously implement the principle of distribution according to labor so as to give full play to the initiative of all the staff and workers.

In distributing bonuses, the Capital Iron and Steel Company has adhered to the following three principles:

1. Resolutely controlling the total amount of bonuses in accordance with state regulations: Over the past 3 years, the profits of the Capital Iron and Steel Company increased at an average annual rate of 22 percent. However, the company strictly carried out the relevant stipulations that were laid down by the higher level in deciding the total amount of bonuses. In 1981, the Beijing Municipal People's Government gave the company permission to pay a maximum total yearly bonus as much as the standard wage for 3 months (this was the highest bonus level that had ever been allowed in Beijing), under the condition that the company fulfill the tasks of reducing production and increasing income. In order to control the total amount of bonuses, the company adopted the method of paying a conservative amount of bonuses in advance every month so as to have leeway in paying the rest of the bonuses at the end of the year. Every month all the units in the company have to report to the company on the amount of bonuses they plan to pay, and the company then carefully examines them one by one. If the amount is planned in strict accordance with the regulations and within the limit of the maximum amount that the company has stipulated, the company will give permission for payment; if not, the company will not give permission. Every month the company transfers 5 percent of the allocated amount of bonuses to its bonus fund reserve, and all the factories and mines in the company also transfer a part of the allocated bonus funds to their reserve funds instead of completely paying them out. Last year the monthly bonus for each person throughout the company averaged 12.8 yuan, which meant that the average bonus for each person last year was equal to the standard wage for 2.9 months. The bonus that was paid to each person in its production factories and mines averaged 13.2 yuan per month, which meant that the average bonus for each person last year was the equivalent of the standard wage for 2.99 months. Over the past few years, the Capital Iron and Steel Company has transferred a total of 95.7 million yuan of its allocated bonus funds to its bonus fund reserve. Some of this money will be used to fund housing for its staff and workers, and the remainder will be kept in reserve and will be used to cover any possible deficits in future allocated bonus funds.

2. The bonuses of the staff and workers are linked with the economic results of their collectives and should be adjusted upward or downward accordingly. In the company there is a stipulation related to bonus payment that if the factory, mine or office fails to fulfill the task that the company has assigned to it, no one in it will get any bonus; and that if a workshop, group or team fails to perform the economic responsibility that the factory or the mine has assigned to it, no bonus funds will be allocated to it nor will any person in it be paid any bonuses. The monthly bonus that the same person gets in the same unit fluctuates in accordance with how the unit fulfills its monthly task. For example, in the company's ironworks sometimes the average monthly bonus for each person reached as high as 24 yuan, but sometimes it dropped to as low as 10.5 yuan. During June and July of last year, the ironworks failed to fulfill its tasks; therefore, no one there was paid any bonuses. This stipulation encourages everyone to be concerned about his group or team, every group or team to be concerned about the workshop that it belongs to, every workshop to be concerned about the factory or mine that it belongs to, and all the units to be concerned about the company. As a result, all the staff and workers in the company are concerned about the fulfillment of the targets that the company is striving for, and the units and people at all levels strive to increase economic results. The company is using the common economic interests as a tie to closely link all its production sectors, and thus ensure its internal coordination and its final achievement of the goal of increasing economic results. As the workers there said, "This method of bonus payment means a team competition as well as an individual competition."

3. Acknowledging differences and reasonably dividing bonuses into grades: In order to overcome egalitarianism, we should, in paying bonuses, take into account the differences in the nature of the posts, in work attitude, in technical skill, in working capacity and in achievements. First, bonus payments should vary from unit to unit. The constant and coefficient in the formula for calculating bonuses for the company's offices has been set by taking into account the difference in the importance of their economic responsibility. The formula for calculating bonuses for the company's factories and mines takes into consideration their importance in production, the levels of their economic and technical indexes, their managerial standards and their work conditions. Second, bonus payments should vary for individuals. The constant and coefficient in the formula for calculating the bonuses for individuals have also been set by taking into consideration the difference in the responsibility of the cadres, the difference in importance of the workers' posts, in their technical skill, in the intensity of their labor and in their work conditions. Thus the bonuses for every unit and every individual fluctuate in accordance with how tasks have been fulfilled. Considerable rewards and heavy punishments have especially been stipulated for key posts, weak sectors and key problems that must be solved. By so doing, the company has fairly satisfactorily overcome the egalitarianism in distribution among its units and among its individuals. According to statistics for a certain month, in its 20 factories and mines, 10.37 percent of the staff and workers received a bonus of 25 yuan or more; 68.14 percent received a bonus from 11 to 24 yuan; 13 percent, 10 yuan or below; and 8.49 percent received nothing.

The experience of the Capital Iron and Steel Company has proved that so long as we reasonably draw up the standard for assessing bonuses under the condition of controlling the total amounts of bonuses within a prescribed limit, so long as we publicize the formula, constants and coefficients by which we calculate the bonuses, and so long as we strengthen our ideological and political work, we will be able to put an end to the practice of "eating out of the same big pot," overcome egalitarianism, and integrate the implementation of the economic responsibility system with the principle of distribution according to labor by allowing reasonable disparities in bonuses. We will also be able to give play to the positive role of bonuses in encouraging the advanced and spurring on those who lag behind, and avoid and overcome the negative role of bonuses, thus fully mobilizing the initiative of the staff and workers.

IV. Boosting the Overall Reorganization of the Enterprise

Over the past few years the Capital Iron and Steel Company has done a great deal of work in reorganizing the company and has achieved great results. The implementation of the economic responsibility system put new demands on the various tasks of the company. People in the company have focused their efforts on increasing economic results while continuously paying attention to the work of reorganizing the company. As a result, they have raised the administration and management in the company to a new level. They have paid serious attention to the following things:

1. Reorganizing the various kinds of professional managerial work: For many years, the company's planning was invariably related only to production, technology and finance. As a result, in formulating plans the company paid attention only to production and neglected management, and it blindly pursued high output and neglected economic results. Along with the establishment and implementation of the economic responsibility system, the company first reorganized and reformed its management of planning and then included its production, technology, accounting, purchasing and marketing into comprehensive production and management planning. Thus the company began to organize all its activities related to production, technology, administration and management and formulated a planning system that is, in depth and scale, far more comprehensive, detailed, concrete, harmonious and thorough than before in order to actually carry out the state plan and to bring the company onto the path of increasing its economic results.

According to the above-mentioned requirements, the company not only arranges its production monthly or weekly, but at the same time also arranges for the fulfillment of tasks concerning marketing, costs and profit growth. The business of the control room in the company has been extended from solely controlling production to mastering the comprehensive changes in production, delivery of goods, marketing, profit and costs. It draws up a production and management plan every day and strictly examines its fulfillment. The purchasing work has changed from solely ensuring supplies to paying attention to management in making the best choice of purchases by comparing the prices of different suppliers. In the past the company's marketing was mainly concerned with carrying out procedures related to deliveries of the goods it sold, but now the marketing department has begun to pay visits to customers, to serve the customers where they are, to make investigations, analyses and forecasts about the market and to supply information to the planning department. The accounting work has also changed: analyses and forecasts are made beforehand to promptly provide information for the decisionmaking of management instead of merely keeping historical accounts. Cost management has also been developed and has become the integration of professional management with mass management, and it is an all-round cost management with the participation of the masses. The standards of all professional managers have been raised to new heights.

In order to achieve the economic goals of the entire company, the relationships between all departments have also changed. For example, in order to garner 312 million yuan of profit in 1981, the company had to ensure that during the last 4 months more than 9,330 tons of its products were sent out every day: 220 railroad freight cars were used every day and 1 million yuan was earned every day. This demanded close coordination and cooperation of the work in all departments in the company, including planning, controlling, producing, accounting, purchasing and marketing. This also required putting an end to the old practice of each professional management department going its own way and shifting responsibility onto another. Thus a fairly vigorous command system of production and management has taken shape under the leadership of the company's manager.

2. Reorganizing the basic work of the enterprise: In implementing the economic responsibility system, they have strengthened their data management in addition to continuously perfecting and improving various regulations and systems. Data are the basis on which the enterprise analyzes, readjusts and controls its production. Technical and managerial activities are also the basis on which it carries out the strict examination and assessment of performance and on which it carries out distribution according to labor. Since establishment of the economic responsibility system, the company has decided to strengthen its data management. They have vigorously reorganized the work of taking measurements and the work of making source documents, and have also reorganized the quota management. Moreover, they have designed a series of shop record forms and other forms for assessing performance in implementing the economic responsibility system and have established a general office of statistical control. Throughout the company, they must manage 80,000 pieces of information and have gradually established a data management and feedback system. At the end of 1981, the proportion of raw materials and fuel that the company checked the weight of when it received them was raised to 99.3 percent from 57.7 percent, and meters were installed to measure 95.22 percent of the company's consumption of electricity, steam, oxygen, nitrogen, coke-oven gas, blast-furnace gas and compressed gas. This meant that they had made significant progress in developing scientific management.

3. Reorganizing its management of labor and fixing a standard number of personnel in every department in organizing production: In reorganizing its structure the company stressed that every worker or cadre had to work "with high efficiency and to the best of his ability" in order to make more

contributions to the motherland. Having quite a few redundant personnel, the company has persisted in fixing a standard number in every department in accordance with production needs. It has made a clear distinction between the staff and workers employed in the state-owned enterprises and the collective enterprises under it and has refrained from appointing any state-employed persons to collective posts or vice versa. It has refrained from appointing the children of its retired workers to their parents' posts, but has trained them, examined them and appointed them according to their abilities under the unified authority of the company. In order to find out where the company has employed excessive personnel, the company has organized a technical assessment group, which has drawn up the standard number of personnel for every part of the company by recording the job activities and measuring the time these activities take and by sampling. From 1978 to 1981, the company found that 8,700 of its personnel were redundant, which was 12 percent of the present number of the company's personnel. By trying every means to find employment for these redundant personnel, the company succeeded in appointing them to new posts that served the production and the livelihood of its staff and workers. This reorganization of the company's work force through fixing standard numbers of personnel and strengthening work discipline facilitated the implementation of the economic responsibility system.

4. Reorganizing and improving the leading groups: The reason why the Capital Iron and Steel Company can successfully implement the economic responsibility system level by level lies in the company CCP committee's conscientious reorganization and improvement of the leading groups at all levels. It has promptly promoted to leading posts at various levels the cadres who have been able to conscientiously carry out the party's principles and policies, who understand production and who know management well. At the same time, it has promptly helped and educated and even demoted the cadres who have fallen short of the demands of the new situation and of the new tasks. By so doing it has adhered to the principle that cadres can be demoted as well as promoted. At present, among the 419 leading cadres at the factory and bureau levels, 70 percent have received education above the junior middle school level and 46 percent have been granted professional titles. The average age of the 419 cadres is 50.1 years. The company's leading groups are fairly crack and strong groups.

The experience of the Capital Iron and Steel Company proves that the reorganization of an enterprise will create favorable conditions for implementation of the economic responsibility system, and that the implementation of the economic responsibility system will in turn promote the overall reorganization of the enterprise. So long as we integrate the implementation of the economic responsibility system with the overall reorganization of an enterprise and so long as we give priority to improving and perfecting the economic responsibility system in reorganizing our enterprises, we will be able to lead the staff and workers in our enterprises onto the path of improving administration and management and raising economic effect.

V. Vigorously Strengthening Political and Ideological Work

The implementation of the economic responsibility system is an important reform in the administrative and managerial system in our industrial enterprises. Every step in improving the system involves the correct handling of the relationships between the interests of the state, of the enterprises, of the departments inside the enterprises, and of the staff and workers. Therefore, various ideological problems and various problems of understanding will inevitably crop up. In implementing the economic responsibility system and in paying attention to material incentives, we should never abandon the principle of giving priority to ideological work nor slacken our efforts in doing political and ideological work. At the beginning of the establishment of the economic responsibility system, the company clearly set forth the tasks of building the two civilizations by achieving good results both in increasing economic results and in inspiring the revolutionary spirit of its staff and workers.

In conducting political and ideological education the company has done the following things:

First, it has corrected people's understanding of the economic responsibility system. When the economic responsibility system had just been established, some cadres and masses did not understand the system. Therefore, some of them had doubts about it and resisted it, thinking that "establishing the economic responsibility system in an industrial enterprise means using the methods of small production in developing large-scale production and that this means a retrogression." Others were of the opinion that "this system is neither socialist nor capitalist and therefore will not work." There were also a few cadres who thought that the economic responsibility was nothing but shouldering the assigned responsibility for profits and bonuses. As a result, they endlessly haggled in fixing the assigned quota and the bonuses. In order to solve these ideological problems, the company conducted education in the aims and significance of the economic responsibility system. Through study and through listening to the explanation of the aims and significance of the system, all the staff and workers in the company began to understand that in carrying out socialist large-scale production, they had to establish a strict responsibility system to ensure the normal operation of production. This is precisely the demand of large-scale production. Through studying the resolution of the 6th Plenary Session of the 11th CCP Central Committee, which summed up both the positive and the negative experiences in the past 30-odd years, they have begun to understand that the past practice of "eating out of the same big pot" and engaging in egalitarianism did not comply with the principles of socialism and that only by implementing the economic responsibility system and the principle of distribution according to labor and by acting in accordance with objective laws, can we really achieve socialism. On the other hand, they have also begun to understand that the economic responsibility system does not merely mean shouldering the assigned responsibility for making profits, but it is an enterprise managerial system that combines responsibility, power and interests under the guidance of state planning. By conducting these educational activities, the company has succeeded in teaching its broad ranks of staff and workers to have a relatively correct understanding of the aims and significance of the economic responsibility system.

Second, the company has conducted education on correctly handling the relationships between the interests of the three parties. In this respect, some staff members and workers had some muddled ideas. They thought that "it is better for the quota to be fixed as low as possible in order to get more bonuses." Some of them even upheld the practice of "paying out all the bonus funds," and were of the opinion that they would suffer if the company complied with the regulations in paying bonuses. In order to correct these erroneous ideas, the company has conducted various forms of education to teach its staff and workers to understand the country's economic situation and to teach them to put the interests of the state first and make greater contributions to the state. In the company's sintering plant, the management used the figures in the state budget report of the Ministry of Finance to give the staff and workers the following account: In 1980, the state spent more than 20 billion yuan in providing various kinds of subsidies, from which each staff member or worker was benefited to the extent of more than 400 yuan a year. This meant that in 1980 the state spent a total of 26 million yuan in providing subsidies for the staff and workers in the company. This account made the staff and workers understand that state revenues are drawn from the people and used for the people and that the fundamental interests of the state, of the collective and of the individual conform with one another. Therefore, the enterprise had to make greater contributions to the state. By comparing the ratios of increase in labor productivity with the ratios of increase in bonuses and by comparing the ratios of increase in the purchasing power of the community and the ratios of increase in supply of goods, it taught its staff and workers to understand the reason why the amount of bonus payments should be controlled. Thus they fixed in people's minds the idea that "one has to strive to make greater contributions and should not haggle for more bonuses."

Third, the company has conducted education on taking the whole situation into account. After establishment of the economic responsibility system, there were a few units that paid attention only to striving to obtain more bonuses for themselves regardless of the interests of the whole company and the demands of the whole situation. There were also comrades who worried that the establishment of the economic responsibility system would give rise to a tendency of "each striving for his own interests in the manner of everyone for himself and let the devil take the hindmost," and then the company would become a complex that existed in name only. In order to correct these wrong ideas, the company has taught its staff and workers to take the whole situation into account and to correctly handle the coordinated and cooperative relationships between different sectors inside the company. Only when the staff and workers know how to take the whole situation into account and to correctly handle the coordinated and cooperative relationships between different sectors can harmony between various items of work in the company be ensured and can comprehensive economic results be achieved. The motive power plant has organized its staff and workers to make the following calculation: If the plant blindly lowers its expenditures and causes a drop in the pressure of compressed gas below standard, this will cause a loss of

760 yuan per minute to the pipe-welding plant, a loss of 1,530 yuan per minute to the Nos 2 and 3 blast furnaces, and a loss of 200 yuan per minute to the pilot plant. This calculation made the masses see that they should not restrict their calculations to what they can save on in their own unit, but they should also conduct the even more important calculation of the impact of their activities on other units and on the whole situation of the company. Thus the masses have become more conscious in intensifying their unity and coordination with other units.

In conducting political and ideological work, the company not only relies on a small number of propaganda cadres, but also mobilizes the ranks of its party members and key staff members and workers to take part in the work. In the company, there are 93 report writers at the factory or bureau levels and 2,018 propagandists who are not withdrawn from production. These report writers and propagandists have written as much as 210,000 characters of propaganda material. The company CCP committee requires its party members to play the exemplary role of pioneers and to do a good job of conducting political and ideological work in their groups and teams. It has also given play to the role of the worker congresses in making the staff and workers take part in the company's decisionmaking on major issues related to planning, production, benefits and distribution and in making them concerned with the collective and the factory.

The experience of the Capital Iron and Steel Company proves that in implementing the economic responsibility system, we can by no means weaken our political and ideological work. On the contrary, we should strengthen it. Therefore, the political and ideological work is and will forever be the lifeline of our economic work. Political and ideological work must be integrated with economic work and only thus can the economic responsibility system be developed healthily.

The company's basic work in enterprise management is in relatively good order and its managerial standard is relatively high. It has favorable conditions for implementing the economic responsibility system. The key reason why it has achieved remarkable results in implementing the economic responsibility system lies in its having a strong leading group that is able to correctly understand the aims and significance in implementing the economic responsibility system and to conscientiously carry out the party's policies and principles. As the economic responsibility system was implemented a short time ago, in some units of the company the system has not yet been carried out well, and some measures the company has adopted to implement the system need to be further improved. Moreover, the company should continue to improve its manner in handling its relations with the state. What form of distribution of profit should be adopted in a large-scale complex like the Capital Iron and Steel Company, which is mainly conducting its production according to the plans of the state that are in the nature of directives? What is the rational limit to the proportion of profit that a large-scale enterprise can retain for its own disposal? These questions and a number of other questions such as those related to the division of authority in the company and those related to the limit of the powers of its factories and mines, are to be solved through carrying out practical research.

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THE SCIENTIFIC THEORY OF SOCIALISM AND THE REALITY OF SOCIALISM IN CHINA

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[Article by Duan Ruofei [3009 5387 7236]]

[Text] In modern world history, following the development of the contradictions in capitalism, a new branch of learning--the theory of socialism--emerged as the times required. When the theory came into being, took shape and was still in its initial stage of development, the historical conditions were immature, so it had to have a utopian nature. After the 1840's, along with the gradually ripening historical conditions and the development of the movement for the working class to win liberation, through the discriminating and revolutionary creations of Marx and Engels, the theory of socialism proceeded from fantasy to science.

Scientific socialism emerged on the basis of the international socialist movement. After its emergence, it directed and promoted, in turn, the development of the socialist movement. The victory of the Russian October Revolution helped turn scientific socialism from theory into reality in a big country. After World War II, socialism developed from the practice of a specific country to the practice of countries on an international scale. At the same time, proceeding from the actual conditions in their own countries, the working class and communists of the other countries in the world were all exploring roads leading to socialism.

Under the leadership of the CCP and the guidance of the theory of scientific socialism, in 1949 the Chinese working class and laboring people won nationwide victory in the revolution and established the state regime under the people's democratic dictatorship. Through new democracy and the transitional period of advancing to socialist revolution, the establishment of socialist society began in China. This was the greatest and most profound social change in Chinese history. The eighth national CCP congress, held in 1956, affirmed this great victory, summed up our experiences and clearly charted the path for the development of China's socialist society.

From the establishment of our socialist society up to this day, more than 20 years have elapsed. During this period of time, owing to the serious faults and errors caused by "leftist" guiding ideology, and particularly the sabotage by the Lin Biao and Jiang Qing counterrevolutionary cliques during the 10 years of internal disorder, our socialist cause suffered colossal setbacks and the superiority inherent in the socialist system was not brought into proper play. Despite all this, the socialist nature of our society has not changed. On the contrary, it is precisely because our socialist system possesses outstanding stability and powerful vitality that we could victoriously smash the Lin Biao and Jiang Qing counterrevolutionary cliques and corrected our own serious faults and errors. Since the 3d Plenary Session of the 11th CCP Central Committee, in proceeding from China's national condition and applying the theory of scientific socialism, the CCP Central Committee corrected once and for all the "leftist" mistakes in its guiding ideology, made a strategic decision to readjust the economy and restructure the economic system, and formulated a series of correct policies for perfecting and developing the socialist system, thus ensuring the healthy development of our socialist society.

China's present-day society is a society established by the working class and laboring people under the leadership of the CCP and the guidance of the theory of scientific socialism by following the inevitable laws of historical development. The economic and political readjustment and reform we are carrying out now under the direction of the line formulated by the 3d Plenary Session of the 11th CCP Central Committee are aimed at perfecting and developing China's socialist society. The reality of socialism in China is the concrete embodiment of the theory of scientific socialism founded by Marx and Engels and its development under new historical conditions.

I

Socialism is a social formation more advanced than any social formations in human history and is an integral whole of the economic forms (the relations of production) which suits the more advanced stage of development of the social productive forces and the political and cultural systems which correspond to the former. A survey of the economic formation (the relations of production) as the foundation will elucidate the problems we are going to discuss.

In the theoretical system of scientific socialism, socialized productive force is a prerequisite for, and of basic significance to, socialism. A socialist society without any socialized productive force would be nothing but a castle in the air. Adherence to the thesis that only on the basis of socialization of productive force can socialist society be established is by no means philistine economic materialism but rather Marxist historical materialism. The most important ground for the argument which doubts the nature of China's present-day society is that we have not, as they see it, established a socialized productive force of the socialist society. Whether we have established, after all, the socialized productive force of a socialist society is indeed a basic prerequisite for judging whether our society is a socialist society.

The reason why the theory of scientific socialism founded by Marx and Engels is scientific is that, generally speaking, it does not proceed from the concepts of rationality and equality and from wishes, ethics and ideals, as the theory of utopian socialism does, to draw conclusions about socialism and to take socialism as an embodiment of such concepts as the realm of equality divorced from the state of the development of the material productive forces; on the contrary, it proceeds from the observation and study of the laws of the development of the material productive forces and establishes the objective grounds for the inevitable realization of socialism. Under the relationships of the capitalist commodity economy, in terms of the theory of scientific socialism, the historically developed socialized productive forces and all forms of the system of private ownership, including the system of capitalist private ownership, are diametrically mutually exclusive. The result of the development of the contradictions between the socialization of productive force and the system of private ownership is the replacement of the system of private ownership by the system of socialist public ownership which suits the socialization of productive force. It means the birth and establishment of socialism. All theories that depart from the survey of the socialization of productive force are idle dreams. It is impossible to build a genuine socialist society by leaping over the historical stages of the development of productive force. What social forces to depend on and what path to take in realizing socialism as distinct from utopian socialism, but not the fundamental indication, is whether the socialization of productive force is regarded as the point of departure for theory; practice is the most fundamental demarcation line between scientific socialism and utopian socialism.

Then, in terms of the theory of scientific socialism, what ultimately is socialized productive force? In his work "The Development of Socialism From Utopian to Scientific," Engels summarized the description by Marx in his "Das Kapital" on the historical process from individual production to socialized mass production, as follows:

"As testified by Marx, if the bourgeoisie does not turn those limited means of production from personal means of production into socialized ones, that is, turn them into means of production for the common use of large numbers of people, it will be impossible to turn them into powerful productive forces. Spinning machines, motorized weaving machines and steam hammers have replaced spinning wheels, manually operated weaving machines and manually operated forging hammers; factories which need the cooperation of hundreds or thousands of people have replaced small workshops. Like the means of production, production itself has turned from a series of individual actions into a series of social actions and, in addition, the products have been turned from personal products into social products. Now yarn, cloth and metal articles produced by factories are common products of numerous workers, which must go through their hands before they become finished products. No one of them can say: 'I produced this product. It is mine.'" ("Selected Works of Marx and Engels," Vol 3, p 426)

Thus it can be seen that so-called socialized mass production, as Marx and Engels saw it, means the socialization of the means of production, the process of production and the finished products of production, and also means that the means of production are those which are commonly used by many people, the process of production is that which is carried on by hundreds or thousands of people in the spirit of a proper division of labor and coordination, and the finished products are those which are commonly produced and owned by them.

Socialism is, in terms of its economic form, the inevitable demand of this kind of socialized productive force and the relations of production which suit the nature of the former; in other words, the socialist relations of production are established on the basis of this kind of socialized productive force. Then does present-day China actually have the socialized productive forces on which the socialist relations of production can be established as Marx and Engels mentioned?

The social productive forces during the stage of socialist transformation and at the present stage (after the basic completion of the socialist transformation of the private ownership of the means of production up to now) were, generally speaking, in a state of uneven development, in which advanced and backward social productive forces coexisted. However, in this uneven development, the socialized productive forces have reached a certain level.

The socialization of the productive forces can be analyzed from different aspects. In the following passage, we are going to make a separate and rough survey of the situation of China's socialized productive forces during these two historical stages through some figures and dates and from different aspects.

Let us first have a look at the basic situation of China's socialized productive forces during the stage of socialist transformation.

First, after the founding of the PRC, we confiscated bureaucrat-capitalist enterprises and revived production. By the end of 1952, that is, on the eve of the all-round implementation of socialist transformation, China's steel output totaled 1.35 million tons (the total world steel output in 1870 including that of Britain, the United States, France, Germany and other advanced countries was 520,000 tons); electricity was 7.3 billion kilowatt-hours; the ratio of the total industrial output value to the total value of industrial and agricultural output constituted 41.5 percent; that of modern industry to the total industrial output value accounted for 64.2 percent and the number of staff and workers was 16 million. Second, we adopted the principle of effecting socialist transformation simultaneously with socialist construction. The socialist transformation made rapid progress and, at the same time, the socialized productive forces also developed at a very fast pace. Between 1953 and 1956, the annual progressive increase in the total national industrial output value was 19.6 percent. Third, what is particularly important is that while observing and studying the problem of the relations between socialized productive force and socialist revolution, instead of isolatedly and exclusively concentrating on the quantitative targets of socialized productive force (in the theory of scientific socialism, there is no such mechanical definition relating to this target; of course, this does not mean that there is no need to have a certain quantity, and this point must not be misunderstood), we must put the question into a certain historical context and make a concrete survey of it. It must be realized that the important part of the section of socialized productive force we possessed was highly centralized. It controlled the economic lifelines of the whole country and furthermore had been in the hands of the state under the leadership of the working class and become an economy that was socialist in nature. This fact was of decisive significance. The contradiction between this newborn socialist economy on the one hand and the continued existence of a substantial capitalist economy and individual economy on the other hand constituted the principal contradiction in China's new democratic society. Dialectics tells us that contradictions push things forward. It was precisely this contradiction, and the sharpening of the spread and struggle of this contradiction, that pushed our country forward from the new democratic society to the socialist society. (Please note: In making a survey of capitalist society, Marx and Engels analyzed its contradictions between the socialized mass production and the capitalist private possession and pointed out that the spread and sharpening of this contradiction--centering on cyclical economic crises--would lead to the collapse of capitalism and the birth of socialism. The contradiction within the range of history which Marx and Engels analyzed and which would propel history to socialism and the contradiction within the range of history which we are now analyzing are different and must not be analogized simplistically or applied mechanically. To fail to ascertain that kind of contradiction manifested by the cyclical economic crises within the range of history we are observing and studying, and then to categorically assert that China does not have the historical grounds for realizing socialism, is to commit the major logical mistake of drawing an erroneous analogy.) The pace of history is certainly not deranged. China's transition from a new democratic society to a socialist society was a necessity of historical development.

Let us take a further look at the situation of China's socialized productive force at the present stage.

The number of industrial enterprises between 1957 and 1980 increased from 170,000 to 377,000. (China had 580,000 forging presses, of which 3 were 10,000-ton and above hydraulic pressure machines; there were 21 such machines abroad; of the 580,000 forging presses, 35 were 1,000-ton and above hydraulic presses, which was equal to the number of such presses owned by the European Economic Community. It had 2.52 million cutting machine tools, only exceeded by the United States and the Soviet Union, ranking third in the world.) The number of staff and workers between 1957 and 1980 increased from over 30 million to 100 million. The output of steel between 1957 and 1980 increased from 5.35 million tons to 37.12 million tons. The proportion of industrial output value in the total industrial and agricultural output value between 1957 and 1980 increased from 56 percent to 75 percent. Electricity was extensively used. Such industries as machine building, automobile manufacturing, ship building, aircraft manufacture, electronics, petrochemistry, plastics, chemical fiber and synthetic rubber had already been set up. The use of the most advanced present-day branches of science and technology, such as electronic computers, automatic control, atomic energy and lasers, had already begun to be used in some departments. Machinery, electricity and chemical fertilizers were extensively applied to agriculture.

In 1980, the power-driven equipment for agricultural use totaled over 200 million horsepower; electricity used in rural areas totaled 32 billion kilowatt-hours, and more than 12 million tons of chemical fertilizers were applied. The area of farmland plowed by tractors was over 610 million mu, accounting for 41 percent of all farmland, and the area of farmland under drainage and irrigation totaled more than 670 million mu, constituting 45 percent of all farmland. The application of modern science and technology to agriculture had already begun. An independent and comprehensive national economic system with socialized productive force as the leading factor had been gradually set up.

The above figures and data are far from complete and precise. However, from them we can see that China actually has a considerable socialized productive force. In accordance with the theory of scientific socialism of Marx and Engels, the socialist relations of production can be established on the basis of such a productive force. Our socialist relations of production are established on a material foundation of socialized productive force. Precisely because of this, our socialism is scientific socialism. Therefore, it has the outstanding stability and powerful vitality which can surmount serious setbacks and difficulties. The categorical argument that we do not have the socialized productive force on which to establish the socialist relations of production as specified by Marx and Engels is groundless. As for the argument that socialist relations of production can be established so long as we have certain political conditions regardless of the state of the productive force, this is of course a misunderstanding or misinterpretation of the socialist nature of the society we have established on the foundation of socialized productive force, and is not a Marxist scientific explanation of the socialist nature of our society.

In accord with the theory of scientific socialism, socialized productive force is the material foundation of a socialist society, but on no account does this mean that the level of development of productive force is the only factor for the emergence and victory of socialist revolutions. Marxism holds that the emergence and victory of any socialist revolution and the replacement of old social formations by new social formations are the outcome of the interaction of various social and historical factors on the basis of the movement of productive force, and not the product of the single factor of the movement of productive force. That is the case with the social change of the replacement of feudalism by capitalism and is much more so with regard to a socialist revolution in which the working class conscientiously establishes the socialist system under the guidance of the theory of scientific socialism. The essential socialized productive forces are the ultimate decisive factor for realizing socialism but not the only factor; they are the necessary conditions for establishing a socialist society but not the sufficient conditions. The emergence, development and victory of socialist revolution in a certain country are the outcome of the common actions of numerous economic, political, ideological and cultural, practical and historical, domestic and international as well as objective and subjective conditions. That is to say, a socialist revolution moves forward amid the "coordinated actions" into which various social forces are synthesized on the basis of economic strength. One must not suppose that this process of revolution is merely an economic process. In addition, the maturity of the many conditions which promote the emergence, development and victory of the revolution in a certain country by no means corresponds mechanically with the level of the social productive forces of that country. Therefore, the world socialist movement is characterized by uneven development. In the early 20th century, the Russian socialized productive forces developed on a considerably large scale, but compared with those of the European and other developed countries, its socialized productive forces were still low. Owing to historical, theoretical, political and other reasons, the Russian socialist movement came to the forefront of the world ranks. Moreover, the special environment created by World War I constituted favorable conditions for the Russian proletariat to seize political power. In light of the historical conditions of the Russian proletariat, Lenin pointed out that the process of historical development could be altered. He adopted the principle of first seizing political power and then wielding this political power to develop the social productive forces and led Russia in taking the socialist road. In answering the accusations of Sukhanov and others that "the Russian productive forces have not developed to the degree necessary to realize socialism," Lenin pointed out: "You say that civilization is necessary for the building of socialism. Very good. But why could we not first create such prerequisites of civilization in our country, ...and then start moving toward socialism? Where, in what books, have you read that such variations of the customary historical sequence of events are impermissible or impossible?" "While the development of world history as a whole follows general laws it is by no means precluded, but on the contrary presumed, that certain points of development may display peculiarities in either the form or the sequence of this development." ("Selected Works of Lenin," Vol 4, pp 692, 690) This theoretical exposition on the rationality of the October Revolution (being in conformity with the laws of historical development) is of universal significance. On the basis of this exposition, Lenin predicted: "Subsequent revolutions in oriental countries, which possess much bigger populations and much more diverse social conditions, will undoubtedly display even greater distinctions than the Russian revolution." (ibid., p 692) The course of the development of the Chinese revolution has fully confirmed this prophesy of Lenin's.

In modern times, since China was a semicolonial, semifeudal big oriental country, its social productive forces were, generally speaking, quite backward and also exceedingly uneven. There was an advanced sector in the backward social productive forces, that is, the modern industry, which constituted about 10 percent of the national economy. Although this sector of socialized productive force was not a large proportion, it was quite concentrated, and thus it controlled the state's economic lifelines. It is precisely this economic fact that fundamentally determined the course of development, the future and characteristics of the Chinese revolution. In analyzing this question, Comrade Mao Zedong pointed out: "China already has a modern industry comprising about 10 percent of its economy; this is progressive and different from ancient times. As a result, China has new classes and new political parties--the proletariat and the bourgeoisie, proletarian and bourgeois parties. The proletariat and its party, because they have been oppressed by a multitude of enemies, have become steeled and are qualified to lead the Chinese people's revolution." ("Selected Works of Mao Zedong," Vol 4, p 1320)

In leading the Chinese revolution, the Chinese communists inherited and developed Lenin's thinking--first, when the conditions for seizing political power were ripe, we first seized political power, then revived and developed the econony; second, on the basis of a certain scale of socialized productive force, we formulated and carried out the principle of simultaneously carrying out socialist revolution and socialist construction and creatively opened the path for socialist transformation which was suited to China's national condition. Under the correct and strong leadership of the CCP, China entered the socialist stage at a relatively rapid pace. Despite some shortcomings in that the changes were too rapid and the work was far from meticulous in the later stage of the socialist transformation, viewing the situation as a whole, great successes were really scored. The brilliant successes in the rapid development of the social productive forces and the marked improvements in the people's living standards during the stage of the first 5-year plan forcefully prove this point. That China entered socialist society earlier than some countries whose socialized productive forces were more developed was the result of the interaction of numerous conditions on the basis of the required socialized productive forces, the result of the efforts of the CCP to lead the Chinese working class and the masses of the people in active struggles by following the laws of historical development, the embodiment of the Marxist creative power of the Chinese working class and the Chinese people, and the pride and glory of the Chinese nation.

II

When we say that China really has the socialized productive forces on which socialist relations of production can be established, we do not mean that all the productive forces of our country have reached the level of socialization. Viewed from the situation as a whole and compared with the world's developed countries at present, the level of our productive forces is relatively low; the level of development of the productive forces is also quite uneven, in terms of the national scale. Simple manual tools, modern large machines and automated mechanical systems exist side by side.

It is because of this state of affairs that our country cannot adopt a unitary system of socialist ownership at the present stage. In any case, our socialized productive forces occupy a dominant position in the whole production of the country, and socialized mass production dominates all of the country's economic lifelines. Therefore, our system of socialist ownership also occupies a dominant position. In addition, "this is a kind of general light illuminating all things and it will act on all other colors within it and change their hue." ("Selected Works of Marx and Engels," Vol 2, p 109) Illuminated by the brilliance of the system of socialist ownership, the economy under the system of individual ownership by the working people, within certain prescribed limits, has changed its own color and become a necessary complement to the socialist economy.

In regard to the nature of China's present-day society, no matter what comments some people at home and abroad might make and what judgments they might pass, in the whole social and economic relations of our country, the system of socialist ownership occupies a dominant position, and this is a hard fact which speaks louder than any words. Please look at:

Industry (1980)--The total industrial output value under the state ownership system constituted 78.7 percent and that under the system of collective ownership, 20.7 percent; the two added together comprised 99.4 percent. That was largely the case with fixed assets and the number of staff and workers.

Agriculture (1980)--The area of cultivated farmland under the state ownership system accounted for 5.7 percent and that under the system of collective ownership, 94.2 percent (which included the 7.1 percent of private plots of the commune members); the two added together comprised 99.9 percent. The grain output under the state ownership system made up 3 percent and that under the system of collective ownership, 91.2 percent; the two added together comprised 94.2 percent. The total agricultural output value under the state ownership system accounted for 3.8 percent and that under the system of collective ownership, 77.2 percent; the two added together comprised 81 percent.

Commerce (1980)--The total retail sales of commodities under the state ownership system occupied 84.2 percent and that under the system of collective ownership, 11.9 percent; the two added together comprised 96.1 percent.

Finance--As the national centers for settling accounts, credit centers and centers for receipts and payments, the banks were already in the hands of the state and the system of socialist ownership dominated all positions.

Then, is this society, in which the system of socialist ownership occupies a leading and predominant position, not socialist in nature? Can we doubt the socialist nature of our society just because the system of socialist ownership has not, in the whole economic relations, reached the extent of "being perfect and pure"? Or must a society be regarded as a socialist society only after the whole society has entered the "perfect and pure" socialist relations of production?

Here we can make a historical survey and comparison.

In the slave society, the system of ownership by the slave owners constituted the basic economic relationships of the society and thus determined the nature of the society. However, in addition to this, there were still large numbers of people free from the system of ownership by the slave owners. The society was actually not "perfect and pure." Ancient Greece serves as an example.

In the feudal society, the system of feudal ownership constituted the basic economic relationships of the society and thus determined the nature of the society. However, in addition to this, there were still remnants of the old society of ownership by the slave owners, the seeds of future capitalism, and also a large number of individual economies of the land-holding peasants and small handicraftmen. The society was actually not "perfect and pure." The European medieval feudal societies and the Chinese feudal society were the same in this respect.

In the capitalist society, the system of capitalist ownership constitutes the basic economic relationships of the society and thus determines the nature of the society. However, in addition to this, there are still a great number of multifarious forms of individual economy and other economic forms. Neither is it actually "perfect and pure." The most developed countries in modern history and at the present time, such as the United States, Britain and France are all societies like this. Just as Lenin said: "There is not a country in the world, even the most developed, where capitalism is to be found exclusively in its most pure form." ("Collected Works of Lenin," Vol 29, p 163)

The form of ownership system of a society which constitutes a basic economic relationship and occupies a predominant position in that society determines the nature of that society. In accordance with this principle, ancient Greece can thus be called a slave society; the various European medieval countries can be called feudal societies; and countries in modern history and at the present time such as the United States, Britain and France can be called capitalist societies. Why then, can present-day China, where socialist production relationships occupy a leading and predominant position, not be called a socialist society?

In fact, in his "Critique of the Gotha Program," Marx discussed this problem: "What we have to deal with here is a communist society (note: this refers to its first stage, that is, the socialist society as we now call it) which has not developed on its own foundations, but, on the contrary, has just emerged from capitalist society. It is thus in every respect, economically, morally and intellectually, stamped with the birthmarks of the old society from whose womb it emerged." ("Selected Works of Marx and Engels," Vol 3, p 10) Marx here depicted the general characteristics of a socialist society. The reality of China's present-day socialism has confirmed this depiction by Marx. A socialist society, and especially in the early stages of development after its emergence, economically and in other respects "is still stamped with the birthmarks of the old society from whose womb it emerged." Thus it is not perfect and pure. It is a phenomenon which is in conformity with the course of historical development rather than something strange. Everything has its historical course of coming into being and developing. A socialist society will inevitably undergo its own course of development, a course from "imperfect and impure" to relatively "perfect and pure." Today's Chinese socialist society is still in its infancy, but it has already the regularity of a socialist society. We must not negate its fundamental nature because of its "imperfection and impurity."

It must be acknowledged here that the course of development of the socialist society, which is from "imperfect and impure" to relatively "perfect and pure," is a course of development which "is based on its own foundations" rather than being a "transition period." The characteristics of the transition period of socialism are just as Lenin pointed out: "This transition period must combine the features and properties of both these forms of social economy. This transition period has to be a period of struggle between dying capitalism and nascent communism--or, in other words, between capitalism which has been defeated but not destroyed and communism which has been born but is still very weak." ("Selected Works of Lenin," Vol 4, p 84) When China began its transition from the new democratic society to the socialist society (1952), the proportions of the state-run economy, the capitalist economy and the individual economy in the national economy were 19.2 percent, 6.9 percent and 71.8 percent respectively. But the present situation is that the socialist economy occupies a leading and predominant position. This state of affairs and the situation in which socialism and capitalism were in a state of decisive struggle of "who is beating whom" cannot be mentioned in the same breath. The difference in quantity has changed into a difference in quality. In the mid-1950's, our country victoriously pulled through the "transition period," abolished the exploiting system and the system of private ownership, established the basic socialist economic, political and cultural institutions and thus entered the socialist society. It is possible that the lumping together of these two historical stages of different natures will lead to "leftist" mistakes of inappropriately applying the economic and political categories in the transition period to the socialist society. These include the struggle between the two classes and the two roads being the principal contradiction in the society, and continuing to indulge in taking class struggle as the key link. This is not merely a logical analogy but has been proved profoundly by historical lessons.

It must be noted that the theory that it is still necessary to carry on "uninterrupted revolution" after our country has entered the socialist society (namely, the so-called theory of "continuing revolution under the dictatorship of the proletariat" or of "continuing revolution under socialism") is in fact a theory which negates the socialist nature of our present-day society. Engels said: "The so-called 'socialist society' must, like any other social system, be regarded as a society which undergoes constant changes and reforms rather than a fixed and unchangeable thing." ("Collected Works of Marx and Engels," Vol 37, p 443) The changes and reforms of socialist society mentioned here by Engels referred to those which took place on the socialist society's own foundations. These social changes and reforms are fundamentally different from the political revolution and economic revolution of one social system replacing another social system. These must not be jumbled together. The course of the growth and development of socialist society belongs to the course of a qualitative change on the foundations of its own quantitative regularities rather than a historical transitional period which undergoes a qualitative change. Therefore, we cannot and must not carry on "uninterrupted revolution," because according to the definition made by Marx and Engels, "uninterrupted revolution" falls into the category of political revolution and economic revolution. (Of course, this does not mean that we have fulfilled the tasks of our socialist revolution, and by no means does this mean that we need no longer do our work in the revolutionary spirit. This must not be misunderstood.) At the first stage of communist society, the socialist society is a society with a relatively stable social nature. China has entered the historical stage of a stable development of socialist society. The argument that China's present-day society is still in the course of "interrupted revolution" is, in essence, negating the fact that our country has entered the historical stage of socialism and is negating the socialist nature of our society.

In short, our history has really entered the socialist society. This is the foundation for our future progress and development. All theories which negate the fact that our history has entered the socialist society in whatever form do not tally with China's realities.

True, while achieving brilliant successes after the establishment of our socialist society, we also suffered tremendous setbacks and grievous losses. In surveying the reasons for the emergence of these problems, apart from the obvious factor of the sabotage caused by the Lin Biao and Jiang Qing counterrevolutionary cliques, they include: 1) "leftist" mistakes committed in our guiding ideology; 2) drawbacks in the system which were shaped in history; and 3) failure of some of our concrete forms of the socialist ownership system and the distribution and management forms to correspond with the basic system of socialism. Our mistakes are definitely not the result of the establishment of the socialist system. On the contrary, it is precisely because of the establishment of the socialist system that we were still in a position to promote a considerable development of the productive forces when we suffered all kinds of obstructions and sabotage. The problem we are now facing is to restructure actively and steadily the system; to establish and perfect the operation and management forms which suit different systems of ownership, different regions and different departments; to promote the productive forces to develop at a proper speed; and to constantly improve and develop our socialist system while upholding the basic system of socialism. We must do this after bringing order out of chaos in the guiding ideology and continually bring order out of chaos in practical work. This must be done on the basis of a thorough and well-conceived investigation and study and when conditions are ripe, rather than changing the already established socialist system and turning around to go in for new democracy or state capitalism, as some comrades have advocated.

III

The reality of China's present-day society is significantly different from the depiction on socialist society by Marx in his "Critique of the Gotha Program," and the assertion made by Marx and Engels that a socialist society is a society in which all the means of production are owned by the whole society and which has no commodities or money. In the eyes of some comrades, it is imperative to take this idea of Marx' and Engels' as the criterion in deciding whether China's present-day society is a socialist society or not. This kind of viewpoint and method are, in our opinion, incorrect.

In the theoretical system of scientific socialism founded by Marx and Engels, the depiction on the future socialist society is an important component part. Engels said: "Since socialism has become a science, people are required to regard it as a science, that is, people are required to study it." ("Selected Works of Marx and Engels," Vol 2, p 301) In regard to this depiction of a socialist society by the founders of scientific socialism, we must integrate the historical grounds on which they made this kind of depiction in their times with the socialist practice in the 20th century and study it in a scientific way.

In the literature of scientific socialism, Marx' "Critique of the Gotha Program" occupies an important position. In the history of the theory of scientific socialism, this work for the first time divided communism into the stages of different degrees of economic development and depicted the fundamental characteristics of the two stages. Even now, it is still an important document for us in studying the theory of socialism.

However, can we consider that, since the depiction of socialist society in "Critique of the Gotha Program" provided us with a scientific definition of socialist society, we must take it as the only and absolute criterion or pattern and use it to rule our present-day socialist society?

First of all, we must clarify whether Marx' depiction on socialist society is a scientific conjecture and assumption or a scientific definition of socialist society.

Marx' criticisms of the Gotha program, namely, the "marginal notes to the program of the German Workers Party" were originally marginal notes for criticism, written by Marx in the draft program of the German Social Democratic Party into which the two parties in the German workers' movement (the Eisenaches and the Lassalleans) were going to merge. In criticizing the Lassallean articles of creed in the Gotha draft program, such as "undiminished" proceeds of labor, "equal rights" and "fair distribution," Marx discussed in passing some economic properties of socialist society. He made the following expositions:

1. Socialism is "a society based on common ownership of the means of production";

2. Socialist society is a society "just as it emerges from capitalist society, which is thus in every respect, economically, morally and intellectually, still stamped with the birthmarks of the old society from whose womb it emerged";

3. For this reason, in the distribution of personal consumer goods in a socialist society, distribution according to work should be practiced after various deductions are made from the total social products;

4. The labor of the individuals directly constitutes a component part of the total social labor. Therefore, the forms of "value" vanish and commodities and money are withdrawn from social economic life.

So long as we make a careful survey, we will realize that the "Critique of the Gotha Program" was not a special work of Marx' which aimed at studying the socialist society and solving the problem of its scientific definition. While criticizing the Lassallean articles of creed, Marx here only discussed in passing matters relating to socialism and did not expound the various characteristics of socialist society in an all-round way. For instance, in it there were no expositions on such principles as socialized mass production being the fundamental prerequisite and material foundation for the socialist society, or the extremely important economic property that production should be regulated in accordance with the needs of society and individuals in a planned way. No further detailed deliberations were made to the already involved matters relating to socialism.

What is particularly important is that the nature of these expositions by Marx is a kind of scientific conjecture of future things rather than a scientific summarization of the nature of the objects which people have fully understood. On this matter, Lenin gave a reasonable explanation. He pointed out:

"All Marx' theories are the application of the theory of development--in its most consistent, complete, considered and pithy form--to modern capitalism. Naturally, Marx was faced with the problem of applying these theories both to the forthcoming collapse of capitalism and to the future development of future communism.

"On the basis of what facts, then can the question of the future development of future communism be dealt with?

"On the basis of the fact that it has its origin in capitalism, that is, develops historically from capitalism, that it is the result of the action of a social force to which capitalism gave birth. There is no trace of an attempt on Marx' part to invent a utopia or to indulge in idle guesswork about what cannot be known. Marx treated the question of communism in the same way as a naturalist would treat the question of the development of, say, a new biological variety. Once he knew that it has originated in such and such a way and was changing in such and such a definite direction, he would be able to expound the question of the development of the biological variety." (See "Collected Works of Lenin," Vol 3, p 243. The passages quoted here are retranslated.)

Thus it can be seen that Marx' expositions on future socialism is only a scientific conjecture rather than a scientific definition or final conclusion on the socialist society.

Marx did not define the socialist society and, in addition, it was impossible for him to do so at that time. This is because, in order to make a scientific definition of an object, it is necessary to make such a definition after, and not before, one has had a relatively full understanding of its rich contents and nature. Furthermore, only after the object has taken shape and developed fully, can a full understanding of it be obtained. Just as Marx profoundly pointed out: "In pondering the forms of life of mankind and proceeding to make scientific analyses of it, a road contrary to the real development is invariably taken. This pondering is started after the event, in other words, is started with the results of the completion of the course of development." ("Collected Works of Marx and Engels," Vol 23, p 92) In the 19th century in which Marx and Engels lived, socialism, as a brand-new social formation and social system, had not emerged on earth. How could they possibly gain a full understanding of the socialist society and give it a scientific definition?

We do not regard Marx' expositions on socialist society as a scientific definition. This does not at the least mean negating their scientific value. Conversely, we hold the view that Marx' expositions are of quite important and scientific theoretical significance, some of which contain great truth. This is because, although his depiction was a conjecture and assumption, it was formulated by Marx after making a strict scientific study of the developmental trends of the contradictions between the socialized productive forces which took shape in the capitalist society and the system of private ownership under capitalism. He applied the materialist dialectical viewpoint of development, and thus it was a scientific assumption and hypothesis. It plays an important instructive role in the practical movement of socialism and will be verified, revised, enriched and developed in this practical movement. Engels said: "So long as natural science is pondering, the form of its development is hypothesis.... At first it is only based on limited facts and observation. Further observed material will help these hypotheses become more pure. Some are discarded and some revised until the pure form of a law is eventually reached." ("Selected Works of Marx and Engels," Vol 3, p 561) Engels here brought to light the laws of scientific development. The theory of the future socialist society develops in the form of an hypothesis. This is a phenomenon entirely in conformity with the laws of scientific development.

Judged from the standpoint of Marxist materialism, any theory of social science is nothing but a generalized reflection and abstract manifestation of a certain stage of historical movement. This is also the case with scientific socialism itself, which was founded by Marx and Engels. Engels said: "Our theory is a theory of development rather than a dogma which should be recited fluently and repeated mechanically." ("Collected Works of Marx and Engels," Vol 36, p 584) The method of taking some conjectures and assumptions about socialist society, which were formulated by Marx and Engels and were based on the situation of the historical movement of the European capitalist countries and the United States in the 19th century, and their cognitive results belonging to certain historical conditions, as unalterable absolute truth and as an a priori pattern and sole criterion and using them to rule present socialist reality runs fundamentally counter to the viewpoint of Marxist materialist theory. Theory is the expression of historical movement. The socialist movement is advancing and the theory must also develop along with it. Pushing the theory of scientific socialism founded by Marx and Engels forward on the basis of the present great socialist practice is the Marxist correct attitude in handling theory.

By the 20th century, a tremendous leap has occurred in the socialist movement under the guidance of scientific socialism--scientific socialism has developed from theory to reality and the socialist system has been established in large groups of countries. On the one hand, the reality of socialism has confirmed the scientific hypothesis by Marx and Engels about socialist society, and on the other hand, some of the expositions in their assumptions (like their argument that there are no commodities or money in the socialist society) have been revised. The present magnificent reality of socialism of the working class and the masses of the people has created and continues to create forms of realizing and developing socialism, which suit the national condition of various countries. Because of the different national conditions and different courses of historical development, in present socialist practice, it is inevitable that there have emerged multifarious forms different from the original assumptions by Marx and Engels. This is important development of the assumptions by Marx and Engels about socialist society and great progress in historical development.

Under the direction of the line of the 3d Plenary Session of the 11th CCP Central Committee, China's socialist practice has fundamentally corrected the "leftist" mistakes existing in our guiding ideology for a period of time in the past and ensured the new stage of development. Having summed up the experiences and lessons in socialist practice since the founding of the PRC and studied the experiences and lessons in international socialist practice, the CCP Central Committee pointed out: "There is no rigid pattern for the development of the socialist production relationships. At every stage our task is to create those specific forms of the production relationships that correspond to the needs of the growing productive forces and facilitate their continued advance." ("Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC") At the present stage (this historical stage is very long), the state-run economy and the collective economy constitute the basic socialist economic forms of our country and the working people's individual economy within certain prescribed limits is a necessary complement to the economy under the system of socialist public ownership. Socialist economic units should become relatively independent major economic bodies in the unified socialist economic system. It is necessary to fully develop socialist commodity production and commodity exchange. It is essential to practice a planned economy on the basis of the system of socialist ownership and at the same time bring into play the supplementary role of regulation by market mechanism. In drawing up plans, it is necessary for the state to give full consideration to and use the law of value. The point of departure and fundamental aim of socialist economic activities are to meet the increasingly growing material and cultural needs of the people.

The system of socialist ownership, that is, the socialist production relationships is realized through a series of economic activities, such as production, exchange and distribution. Exploring the operation and management forms and distribution forms which are aimed at realizing the socialist principles is an important task in improving and developing the socialist system. Since the 3d Plenary Session of the 11th CCP Central Committee, we have exerted herculean efforts in this respect. In the vast rural areas, the implementation of various forms of production responsibility system has helped closely integrate the responsibility, power and interests of the various major economic bodies and the laborers and tremendously aroused the enthusiasm and the creative power of the peasants. Coordinated with other conditions, the production responsibility system has at one stroke swept away the many difficult problems which have existed since the agricultural cooperativization. (Of course, many new problems have inevitably arisen which need to be constantly solved by the CCP, the people's government and the masses of people together.) As a result, the situation suddenly cleared up. Where does the secret lie? Obviously, this state of affairs is not the result of the enthusiasm of individual production, much less the result of capitalism, but instead the result of effectively giving full play to the enthusiasm of socialism. On the basis of public ownership of the principal means of production like land, the practice of unified leadership and decentralized operations have been introduced. This practice is essentially different from the individual economy before the agricultural cooperativization or the practice of dividing the fields and working alone. This is a necessary readjustment of some aspects of the socialist production relationships and a restructuring of the management and distribution systems, rather than the replacement of the socialist collective economy by the individual economy. The production responsibility system of linking remuneration to output which is clear in regard to responsibility, simple and convenient to calculate, and easy to supervise is a good form of socialist operation and management, which is suited to the rural reality at the present stage. It is also a good form of implementing the socialist principle of distribution according to work. Exploratory reforms have begun to be carried out in industry, communications, finance and commerce under the prerequisite that they should be subject to and serve the readjustment. Marked achievements have been made in the experimental work of expanding the decisionmaking power of enterprises and implementing the forms of the economic responsibility system. All this has initially and forcefully shown that this form of management is a good form of socialist management. In socialist relations, the individual interests and those of the collective are integrated. This is the essential basic feature which distinguishes socialism from any society based on the system of private ownership and whose interests are antagonistic. "Socialism integrates individual interests with those of the collective instead of denying the former." ("Selected Works of Stalin," Vol 2, p 355) The whole problem lies in into what forms we can properly integrate the two. (The interests of the collective we refer to here include the interests of the state. The interests of the state are first and foremost.) Only in socialist practice can this problem be solved. Since the 3d Plenary Session of the 11th CCP Central Committee, the exploration and efforts we have made in improving the socialist forms of management and of distribution have been aimed, essentially, at seeking specific forms suited to the characteristics of the different regions, trades and departments. They are aimed at properly integrating individual interests with the interests of the collective and the state and fully arousing the enthusiasm of all laborers for socialism. Practice has proved that our efforts have produced remarkable successes. Over the past 3 years, production has steadily developed; the economic results have gradually improved; an all-round increase in agricultural output has been achieved; market prosperity has been promoted; and some improvements in the people's livelihood have been obtained. Thus bright prospects are emerging. Our socialist system is gradually improving and developing. The argument for the whole society owning all means of production and which excludes production and exchange of commodities is completely wrong. The overcentralized form of management which justifiably existed in a certain historical stage, but which now is not suited to the new situation as a fixed pattern of and absolute criterion for the socialist society (a commonly used or popular expression is the so-called "the larger the scale and the higher the level of public ownership of the means of production and the more unified the operation and management, the better") and uses it to rule the socialist form created by the industrial and agricultural laborers in their hundreds and millions in the new socialist practice and denounces the socialist form as "retrogression" and even as "capitalist restoration" is also completely wrong. The restructuring of the economic system, which we have initially begun to carry out and will continue to substantially and steadily carry out, will be another extensive and profound change in China's social and economic relations. This follows the basic completion of the socialist transformation of private ownership of the means of production. As a result of this, our socialist economic system has become more perfect and our socialist society has become increasingly mature. Our highly developed material and spiritual civilizations will certainly emerge. China's socialist society will inevitably stand erect before the world with a much more majestic and magnificent image.

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IT IS IMPERATIVE TO UPHOLD THE BASIC PRINCIPLES OF MARX' THEORY OF REPRODUCTION--PART TWO

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[Article by Deng Liqun [6772 0550 5028]]

[Text] II. Harmonious Correlation Between the Two Major Categories Is the Basic Prerequisite for Normal Reproduction of Society

Based on the premise of his theory of reproduction, Marx first and emphatically analyzed the conditions for realizing simple reproduction, namely, variable capital plus surplus value of the first sector equals constant capital which consists of the second group. The formula which expresses this relationship is $I(v + m) = IIc$. The formula $I(v + m) = IIc$ is the objective law of the process of simple reproduction, which also holds true for reproduction in a socialist society. While studying the problem of reproduction in our society, we must divide the total output of society into the two major categories of means of production and means of consumption and by value divide it into three component parts, that is, c, v and m. In a socialist economy, there is no more surplus value, but surplus labor and surplus product remain. C represents the replacement of the machinery, equipment, raw materials and other means of production worn out or used up in the course of production; $v + m$ represents the new value created by workers in the course of production. V is used to maintain workers' living standards, ensuring simple reproduction of labor. Under the conditions of expanded reproduction, a part of m has to be retained for accumulation while under the conditions of simple reproduction, m is entirely used for consumption. In the latter case, $I(v + m) = IIc$ is the basic condition for the products under the first category and the products under the second category to be fully and mutually exchanged. If $I(v + m)$ is smaller than IIc, then a part of the means of production which has been used up and worn out cannot be replaced; if $I(v + m)$ is bigger than IIc, then part of the products under the first category will not be saleable.

Of course, in a capitalist country and especially in a socialist country, production, instead of being repeated on the existing basis year in and year out, is in general marked by expanded reproduction. The condition for realizing expanded reproduction is that the first category which comprises variable capital and surplus value is bigger than the second category which represents constant capital; the formula which expresses this relationship is I(v + m) is greater than IIc. Only in this way is accumulation possible. This is what Marx meant when he said: "In the case of production being based on capital growth, I(v + m) must equal IIc plus the part of surplus product which has formed capital and plus the additional constant capital which is necessary for expanded reproduction of the second category, the minimum expanded reproduction of the second category is the minimum actual accumulation within the first category, or the minimum indispensable for actual expanded reproduction." ("Collected Works of Marx and Engels," Vol 24, p 285) But we should not treat the matter from a metaphysical viewpoint, regarding that v + m can be increased indefinitely relative to c, and even to such an extent that the two major categories will be out of balance and out of proportion. As a matter of fact, apart from the inherent limitations, the accumulation within the first category is also limited by the possibilities of accumulation within the second category, for "consumption for productive purposes is after all related to consumption of individuals" and the production of the means of production cannot develop in isolation without being coupled with the development of the production of the means of consumption. In order to realize expanded reproduction, it is necessary to form additional means of production, but at the same time to form additional means of consumption as well. That is why Marx said: "Just the first category must use its surplus product to provide the second category with additional constant capital, the second category must also provide the first category with additional variable capital by the same token." (ibid., p 584) While talking about the necessity of increasing the variable capital under the second category in accordance with the additional constant capital originating from the part of surplus value under the first category, Marx also said: This kind of increase "has as its premise, the tendency of further capitalization of the reproduction of the means of production, in other words, the inclusion in the reproduction in the second category of an increase in the part of the surplus product which constitutes the necessities of life." (ibid., p 586) In a word, in the course of expanded reproduction, there is a mutual relationship between the two major categories in respect of demand for additional products and the satisfaction of this demand, since these sectors are markets for each other and are conditioned and limited by one another. That tells us that, in the course of economic construction, the production of the means of consumption must grow in accordance with the growth of the production of the means of production, or we should not expand the production of the means of production alone without expanding the production of the means of consumption. Failing to grasp this point is the very course of our past ills. At one time, we pursued the policy of developing heavy industry unilaterally, emphasizing the iron and steel industry alone and giving it top priority. As a result, the two sectors were seriously out of proportion and the economic results of production and construction declined substantially.

Since the 3d Plenary Session of the 11th CCP Central Committee, at which the party Central Committee laid down the eight-character policy centered on readjustment, we have been implementing this policy. Especially after the Central Committee's working conference held at the end of 1980, this policy has been implemented with much greater consciousness. Owing to efforts made in the past few years, the important proportionate relations of the national economy have really improved and some of them have remarkably improved. In the first place, the peasants have displayed much more enthusiasm. The rural economic situation as a whole is beyond expectation, and even in disaster areas the situation is much better than expected. The development of agriculture has resulted in a great change for the better in the disproportion between agriculture and industry. The Central Committee is identifying the problems which still exist in the countryside and will solve them so as to further boost agriculture.

Within the industrial sector, the relationship between heavy industry and light industry has also been becoming increasingly harmonious. Heavy industry uses some of its own products. For instance, coal is used for generating electricity and machinery is used for manufacturing machines. But even this part of the means of production is in the end subject to the limitations imposed by the production of the means of consumption, because after all the production of the means of consumption needs more means of production and in order to satisfy this need, the production of the means of production has developed and will develop for the same reason. To cite Lenin, this means: "The manufacturing of the means of production is not for the means of production itself, but for satisfying the growing demand for the means of production on the part of the industrial sector which manufactures the means of consumption." ("Collected Works of Lenin," Vol 4, p 143) Therefore, the heavy industry department must realize that although a part of its products is for satisfying its own needs, its products are after all to serve light industry and agriculture, providing them with raw materials, other input materials and increasingly advanced machinery and equipment. In this way, the orientation of development of heavy industry will be correct. But in the past, we did not do so. Did the comrades engaging in heavy industry not want to serve light industry? We cannot say this. They did not want to do so, but thought in this way: When I have developed and become stronger, I will give you a lot of help. We cannot say that there is not a word of truth in this. But this way of thinking does not cover all facets. Viewing the matter in all its facets, we should say that heavy industry, once developed, will have to better serve light industry, but in the course of its development, heavy industry must regularly serve light industry as well. We must fully realize that instead of being able to develop alone, the production of the means of production can develop only if there exists a concerted development of both the major categories; proportionate development means that in every production cycle, the development must be proportionate, instead of meaning that we may unilaterally develop one sector in a certain cycle and then another sector in a subsequent cycle so as to achieve an overall proportionate development of the two cycles. To do this practically means to give up proportionate development. If, once steel and big machines are available, we only think of setting up new steel works and machine-building factories, and often forget the objects of service while taking care of self-interest alone, we will fail to bring about the conditions for further development. We should not go along this road again. Light industry did not get timely help from heavy industry to improve its machinery and equipment, nor sufficient supplies of raw materials. On the other hand, light industry got very little investment from the state and even had to manufacture equipment to meet its own needs. This is in fact to shift to the first category a part of the materials and labor which originally belonged to the second category, inappropriately reducing the proportion of the second category. Or it had to make do with old equipment. As a result, light industry developed far more slowly than heavy industry, provided the society with consumer products which were far below its purchasing power and caused light industrial products to remain unchanged for decades. In the last couple of years, we have given priority to developing the production of consumer goods while readjusting the economy and achieved great success. As early as 1979, light industry developed faster than heavy industry and maintained a fairly high growth rate in both 1980 and 1981.

We should say that we have all the conditions for consciously ensuring the harmonious development of the production of society and even of the national economy as a whole. Under the capitalist system, since enterprises are owned by a large number of capitalists, all the connections in the field of production "can only be imposed on the entrepreneurs, as a blind law, instead of being grasped and manipulated by them collectively and rationally with a view to putting the production process under their joint control." ("Collected Works of Marx and Engels," Vol 25, p 286) With the establishment of the socialist system of public ownership, people are in a position to consciously arrange their own economic life and, as long as we know the objective economic laws in depth and undertake economic activities according to these laws, we will be able to ensure that the production of our society progresses harmoniously. This is one of the major advantages resulting from the superiority of the socialist system. In the past, the reproduction of our society became disproportionate more than once, just because we breached the objective law which prescribes that the two major categories must develop harmoniously. Of course, we might find many reasons to account for this situation. For instance, it is not so easy to know objective laws; or, under the present system of ownership and level of productive forces, it is still impossible to subject all enterprises and all products to planning, and so forth. But what deserves our special attention is that we did not handle the relationship between proportion and speed well. In the past, we held the view that proportion was not so important and that what really counted was speed. Looking back, this view just inverts the relationship between proportion and speed. Take running for instance: Only with two normal legs can one run and run fast; how can one run with one leg shorter than the other? A man will fall if he chooses to run like that. In 1958, we set high targets for the iron and steel industry, as key sector, to achieve, mobilizing thousands of people to go up mountains for steel and iron-smelting and thus caused serious disproportion in the national economy. In that year, the growth rate seemed to be very high, the total industrial and agricultural output value rising sharply by 32.2 percent from 7.9 percent the previous year. This growth rate could of course not last for long. In 1961, the growth rate of the total industrial and agricultural output value dropped sharply by 30.9 percent with respect to 1960. This growth rate again dropped by 10.1 percent with respect to 1961. Only from 1963 did the growth rate start rising again. It is therefore evident that without proportionate development it is impossible to achieve high growth rates. Comrade Chen Yun has said that the question of high or low growth rates is in fact an issue concerning the proportions of the national economy; only proportionate development will make higher growth rates feasible.

Why should we readjust the national economy? The very purpose of the readjustment is to bring about a national economy of better proportions and then to develop it more proportionately. As everybody can see, the present economic situation of our country is good. Nothing apart from the readjustment can account for this good situation. Without the readjustment, agriculture and light industry would not have developed so fast, market supplies would not have become so abundant and latent trouble would not have been eliminated. While emphasizing that heavy industry must develop at a certain speed, some comrades say that only if the growth rate of the economy has reached a certain level, will favorable conditions for readjusting the economic structure and proportions emerge. Here again, they put the cart before the horse. The heavy industry output value for 1981 is expected to decline by about 5 percent with respect to 1980. What are the reasons for this decline? In his report on the government work to the fourth session of the fifth people's congress, Comrade Zhao Ziyang made an analysis, enumerating the following cases: A number of heavy industrial enterprises have stopped producing some products in fixed supply, which are heavily stockpiled and consume a lot of energy; the energy thus saved can be used to meet the needs of light industry, therefore this measure is necessary and rational. In quite a large number of enterprises which mainly served capital construction for a long time, production is declining owing to a reduction in orders for equipment and other means of production from the sector of capital construction, the amount of investment in which has been largely reduced this year; this is inevitable in the course of readjusting the orientation of service and the structure of products within the heavy industrial sector. There is a third case. Some comrades, who, failing to sufficiently realize the necessity of readjusting the orientation of service and the structure of products of heavy industry, have not acted promptly and delayed in making necessary shifts in production; this has resulted in a decline in the production of some heavy industrial products, which should not have declined. This incorrect tendency should change. Comrade Zhao has explained very clearly why, during the readjustment period, industry output value is likely to decline temporarily. In fact, since the second half of 1981, a lot of work has been done in heavy industry with a view to changing its orientation of service, curtailing products in excessive supply and increasing products that the people need urgently for their livelihood as well as products for export. This work has already produced initial results. On the other hand, the production of heavy industry started rising again in the fourth quarter of 1981. If we had acted as some comrades advocate, striving to achieve higher growth rates for heavy industry alone while refusing to carry out further readjustment, what would have been the results? More products in ample supply would have been stockpiled and products for which nobody places orders would have been manufactured as before. This would not only have wasted labor and materials, but would in the end have again made the two sectors which were being geared to harmonious correlation, disproportionate.

In order to ensure that the production of society can develop harmoniously, we should also pay special attention to the handling of the relationships between the planned economy and regulation by market mechanism. The establishment of public ownership enables the people to handle their own economic relations and consciously carry out economic activities according to a unified plan for the society. But given the present level of productive forces and the present state of ownership in our country, instead of unifying all the economic activities, the state plan can only cover the major sectors of production and circulation.

At the working conference of the Central Committee held in April 1979, it was suggested that in our national economy as a whole, we may act according to the principle of combining planned regulation and regulation by market mechanism, mainly relying on planned regulation while giving due consideration to the functions of regulation by market mechanism. In fact, the matter had been deliberated for quite a long time before the working conference. The comrades taking part in the deliberations and discussions all approved this proposal as a principle. On 12 March of the same year, at the first seminar on business administration held by the State Economic Commission, I delivered a speech. Pointing to the past deficiencies which consist of overconcentration of power, overcomprehensive planning and lack of flexibility, and in the light of the principle deliberated upon before the Central Committee's working conference, I mentioned two possible ways of regulating the national economy saying that: "The production and construction sectors which are indispensable to the society and are of vital importance to the national economy and people's livelihood must be strictly subject to planned regulation, while the remaining sectors are to be regulated by market forces." On 27 August of the same year, in my speech to the participants of the third seminar I again mentioned that combining planned regulation and regulation by market mechanism was a new proposal insofar as its formulation was concerned; but as regards the way of doing things, it was not unfamiliar to the comrades who had been doing economic work for a fairly long period of time. When Comrade Chen Yun was in charge of all the economic work of our country, we worked exactly in this way. In the same speech, I suggested that we should again seriously study the speech that Comrade Chen Yun made at the eighth party congress, especially the well-known part revealing how Comrade Chen Yun envisaged the pattern of our socialist economy, which included: "Planned production constitutes the body of our industrial and agricultural production, and free production which operates in accordance with market trends and within the limits allowed by the state plan is complementary to planned production." I also mentioned: "We have been doing economic work first this way then that way. But it appears that we must again go along the road suggested by Comrade Chen Yun many years ago."

In the two speeches, I also touched on another issue: Since our production as a whole is commodity production, we have to decide, both for the sectors subject to planned regulation and the sectors subject to regulation by market mechanism, whether a production unit should have power and how much power it should have. In order to engage in commodity production, we must admit that the law of value performs a regulating function in the production field, admit that enterprises should have various degrees of autonomy within the framework of the state plan, and admit that they may have, to various degrees, their own material interests. That is, we must admit that they are commodity producers enjoying relative independence.

Since the 3d Plenary Session of the 11th CCP Central Committee, pursuant to the policies of the party Central Committee, we have implemented many forms of the production responsibility system. In the cities, a number of enterprises have been given greater autonomy on an experimental basis, the collective economy has been greatly boosted while the individual economy has been suitably developed; and the financial system has undergone its first reforms. All this work has contributed remarkably to boosting the industrial and agricultural production and the whole national economy of our country. During this period good experience was acquired while many new problems, which have to be solved in earnest, cropped up. This period has also provided us with the possibility of finding a more scientific solution to the problem of a planned economy which also has regulation by market mechanism. The Central Committee's working conference held in December 1980 resolved to adopt an important policy: on the political side, to enhance stability and on the economic side, to pursue readjustment. The "Resolution on Certain Questions in the History of the Party Since the Founding of the PRC" passed by the 6th Plenary Session of the 11th CCP Central Committee summarizes the experience we have gained from practice since the founding of our country, especially since the 3d Plenary Session of the 11th CCP Central Committee. As regards planned economy and regulation by market mechanism, Comrade Chen Yun suggested during the discussions that the formulation in the draft resolution should be amended to "it is necessary to realize a planned economy on the basis of public ownership and at the same time make use of the market as an auxiliary regulating instrument." He also told the comrades drawing up the draft that we needed to bring about a brisk economy but we should be careful not to forget the planned economy while doing this. At a meeting of the party's first secretaries at provincial, municipal and autonomous regional levels held in December 1981, and in his talk with the comrades in charge of the State Planning Commission during this year's Spring Festival, Comrade Chen Yun again emphasized that both in industrial production and in agricultural production, we should uphold the basic principle of letting the planned economy play the principal role and letting regulation by market mechanism play an auxiliary role. Whether in construction and life or in accumulation and consumption, we should act according to plan. Facts have proved that, in comparison with the formulation of 1979, Comrade Chen Yun's suggestions and opinions, which have obtained the unanimous approval of all the top-ranking members of the Central Committee, better suit the socialist economy of our country and can better ensure that our economy will develop in the direction of socialism. This is a basic principle that we must uphold from now on.

In his report on government work, Comrade Zhao Ziyang gave good play to this important principle laid down in the "resolution." He divided enterprises and products into four types and put forward four different management methods as well. The first type comprises the key enterprises which are of vital importance to the national economy and the major products indispensable to the people's livelihood, and production of this type of product should follow the state's instructive plans; the second type comprises a large variety of small commodities, the production of which is scattered among many small enterprises and individual workers. For this type, production may take place according to market trends and within the limits allowed by the state plan. Between these two types, there are another two types of enterprises and products. For one of the two types, the major part of the production should be carried out according to the state plan while a small part can be organized by enterprises themselves; for the other type, the major part of the production is to be organized by enterprises in accordance with market trends while a small part should be carried out according to the state plan. The products mentioned here cover not only industrial products, but also agricultural products. For agricultural products, planned production should also play the principal role while free production may play an auxiliary role. Of course, the classification put forward by Comrade Zhao Ziyang needs to be elaborated if we are to apply it to practical work. For instance, what kinds of enterprises are key enterprises of vital importance to the national economy; what kinds of products are indispensable to the people's livelihood and what kinds of products are small commodities; how do we ensure that production carried out according to market trends will not exceed the scope allowed by the state plan, and so on.

Comrade Zhao Ziyang has said that the above-mentioned management system differs "both from our past system, which was overcentralized, and from the market economy of the capitalist society. It enables us to combine centralized and unified leadership by the state with an enterprise's initiative, really succeed in bringing about an economy which is kept under control without being irresponsive, which is brisk without being confused. Thus we may raise economic efficiency and organize and develop production according to the needs of society." In the past, we tried to put everything under state planning. As a result, on the one hand, our planning lost its scientific nature because we attempted to do the impossible and our economy was very irresponsive. On the other hand, things which could have been done were not done well, with the result that the national economy was only semiplanned most of the time. Why did our national economy become disproportional more than once? Although errors in policymaking were the main reasons, we must realize that overcentralization of our planning and management system was also a direct cause.

We must get rid of this cause of economic ills while reforming our system. But the purpose in getting rid of this cause is to strengthen the planned economy, rather than weaken it. Some comrades have criticized the view that only mandatory targets assigned by the state are of a socialist planned economic nature. Therefore, these comrades have advocated abolishing mandatory plans. It is necessary to make an analysis of how correct this criticism is. It does not seem wrong to regard mandatory plans as the basic characteristic marking the socialist planned economy. A planned economy means nothing other than a national economy consciously managed by society according to plans set down beforehand. This kind of economy is bound to appear in order to meet the objective demands of a society in which all the means of production have reverted to the entire society's ownership and in which labor is joint labor within the scope of the entire society. Under these conditions, the society (represented by the state or economic centers) is the owner of all the production units, which should carry out production and management according to a unified plan drawn up by society. Does our country have conditions for realizing a planned economy? Yes. Management by the state of the enterprises which are of vital importance to the national economy, control by the state of the products indispensable to the people's livelihood and mandatory plans imposed on this part of production, which takes up most of our total industrial and agricultural output value, prove that our economy is basically a planned economy. Abolishing mandatory plans can at best coordinate, only to a certain degree, the production and activities of various enterprises as the capitalist countries do by their planning. This kind of "planning" cannot prevent the production of society from falling into a state of anarchy and therefore is by its nature totally different from our planned economy.

In order to ensure harmonious development of the national economy, it is necessary to make planning more scientific. The socialist economy can develop according to plan and must develop according to plan. But this is possible only if there are plans elaborated by the state which satisfy the demands of objective laws. Therefore, working out state plans on a scientific basis is an important condition for the development of the socialist economy. What about our past planning? We cannot say that it satisfied none of the demands of objective laws; neither can we say that it satisfied all the demands of objective laws. As a matter of fact, fairly often it did not satisfy many demands of objective laws. Without highly scientific planning, it is quite unlikely that we can ensure that the two production sectors of society and the various national economic sectors will be in good proportion to each other, and it is quite unlikely that the economy will develop without a hitch. In cases where plans depart greatly from scientific criteria, they cannot be implemented and therefore come to nothing. Since the 3d Plenary Session of the 11th CCP Central Committee, just like what has happened in the whole national economy, we have greatly cultivated a realistic style of work in our planning work and the planning methods have also improved greatly. In future, we must keep working in this way so as to strengthen the planned economy and better bring into play the superiority of the socialist economy. Some comrades have confused planning work with the planned economy, doubted the superiority of the planned economy for finding errors in our past planning work, and some others have even denied the value of the planned economy. These views are wrong.

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INTRODUCING 'A STUDY OF PROBLEMS IN CHINA'S SOCIALIST ECONOMY'

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[Book review by Su Xing [5685 2502]]

[Text] Comrade Xue Muqiao's book "A Study of Problems in China's Socialist Economy" probes into the economic laws of socialism and is based on the actual conditions of socialist construction in our country. Because I and several comrades took part in the discussions and revisions on the original manuscript, we wish here to introduce the book briefly to our readers.

I. Probing Into the Economic Laws of Socialism Through Summarizing Past Experiences

Comrade Xue Muqiao is an economist who has spent many years on practical economic work and who has engaged in rather extensive research on economic theories. In the preface to the book "A Study of Problems in China's Socialist Economy," he told why he abandoned his plan to write a textbook and wrote this book instead. He gave two reasons for doing so: 1) The development of the socialist economy of our country has not yet reached the mature stage and an integrated theoretical system is difficult to create. 2) He has had more than 30 years of practical work in economics and had gained some understanding. He wished to make use of his later years to point out several problems in the actual practice of socialist economic construction which he thought should be immediately explored and solved in order to serve as references for theoretical workers and practical workers in the field of economics. These are precisely his book's special and superior points. It also explains why, although this book lacks an organized or close-knit theoretical system or background, it is well liked by all theoretical workers and practical workers in economics, including some foreign readers abroad.

In the history of mankind, a socialist society is a new social system. After making an analysis of the capitalist system by means of dialectical materialism and historical materialism and taking into account the direction of development of society following the collapse of capitalism, Marx and Engels foresaw a basic trend for the development of a socialist society. However, because there were no socialist countries in existence in their time, we cannot and should not, expect them to offer any systematic dissertation on the economic laws of socialism. Lenin led Russia's working class and other working people to establish the world's first socialist republic. It was through them that millions of people began practicing socialism. Soon after the victory of the October Revolution, Lenin pointed out: "So far as Russia is concerned, the time has passed for the academic discussion of the principles of socialism. I firmly believe that it will never return. Today is the opportune time to talk about socialism on the basis of experience." ("Collected Works of Lenin," Vol 27, p 480) In my understanding, discussing socialism on the basis of experience should include the exploration of the contents of the economic laws of socialism by means of summarizing past experiences. In this connection, Lenin himself set an example. Take, for example, the questions of commodities and money: Marx and Engels predicted that under socialism, commodities and money would not exist. Yet after the October Revolution, Lenin never advocated the immediate abolition of commodities and money. During the period of wartime communism, there was an attempt to probe into avenues of socialist production and distribution which excluded the circulation of commodities, but this exploration was soon given up and "state capitalism was changed into state-regulated commerce and currency circulation." ("Collected Works of Lenin," Vol 33, p 73) This represented a big evolution both in theory and in practice. It was a breakthrough in what had been foreseen by Marx and Engels. In fact, a new understanding was thus derived from the actual practice of socialism in Russia. This was that during the course of socialist construction, commodities and currency must necessarily be retained and commerce must also be retained. This represented one of Lenin's important contributions to Marxist political economics.

Despite the short length of time of socialist construction in our country, valuable experiences have been gained. Comrade Mao Zedong's economic publications, Comrade Chen Yun's economic writings, and Comrade Zhao Ziyang's 10 guidelines on economic construction which he advocated in the government work report made at the 4th Session of the 5th NPC were all produced on the basis of the summarization of experiences in economic construction in our country. They reflected from various angles the nature of socialist economic laws.

In summarizing experiences, we should summarize both their positive and negative sides. Generally speaking, if mankind's actions conform with objective laws and ultimately meet with success, then they are said to be positive experiences. On the contrary, if mankind's actions violate objective laws and end in failure, then the experiences gained can be said to be negative. When talking to some Soviet economists in February 1952, Stalin mentioned the view that, generally speaking, the working of all these laws could be perceived only when they were violated, and when they were violated, harm could not be avoided. Here, Stalin was emphasizing the negative experiences and overlooking the positive ones. As a matter of fact, when mankind's actions conform with the objective laws, the working of the laws can similarly be observed. This book is replete with instances of this kind. Such examples as the stabilization of commodity prices and the socialist conversion of the system of private ownership of the means of production in the 1950's and the economic readjustment of the national economy in the 1960's all conformed with economic laws and were positive experiences.

Does this mean that economic laws can be discovered merely by summarizing experiences? Not exactly. Laws are the essence of phenomena. They are "something solidified (preserved) in phenomena." ("Collected Works of Lenin," Vol 38, p 158) They cannot be discovered easily. We must go through practice and understanding, further practice and further understanding, and repeat this process many times, so that perceptual knowledge is upgraded to rational knowledge, in order to discover the essence of things and their inner relationships.

II. Proceeding From Reality, Pay Special Attention To Studying How Economic Laws Operate Under China's Historical Conditions

Chapter one of this book is entitled "Socialist Revolution and Socialist Construction in Our Country." Originally, there was no such chapter and chapter one comprised the present concluding observations. However, the author felt that the structure of this book should be based on actual conditions and not merely on laws. Hence, he rewrote this chapter and made it chapter one. This shows another feature of this book, namely, that it proceeds from reality and pays attention to the study of how economic laws operate under China's historical conditions.

At the time of the revolutionary war, Comrade Mao Zedong remarked that in order to win the war, not only should the laws governing wars in general be studied, but the laws governing special revolutionary wars and, in particular, the laws governing China's special revolutionary war should be studied. Just as in studying the laws governing wars, in attempting now to build a modern and powerful socialist country, we must study not only economic laws in general, but also special socialist economic laws, and, in particular, special socialist economic laws as manifested under China's historical conditions.

Take, for example, the law of production relationships conforming with the nature of the productive forces. This is a common economic law applicable to various production forms. It operates differently in different production forms. In analyzing the contradiction between production relationships and the productive forces under capitalism, Marx pointed out that owing to the socialization of production, the system of private ownership of the means of production must of necessity be replaced by the system of public ownership. As for how this replacement is brought about, this differs in different countries. For example, in the Soviet Union, the means of production owned by the capitalist class were confiscated by the state. We confiscated a portion of these means of production (those owned by bureaucratic capital) and purchased a portion (those owned by the national bourgeoisie). As for the cooperativization of the means of production owned by the peasants, our method and procedure also differed substantially from those of the Soviet Union. It seems that we have done slightly better in this regard. As a result, the recovery and development of our industry was relatively faster, while in agriculture we not only did not suffer any large decrease in production but production actually increased. Unfortunately, just because of this comparatively successful accomplishment, we became careless after 1958, when we lopsidedly exaggerated the role played by the change in the ownership system in the development of the productive forces. We stirred up "communist wind" and became "prone to boasting and exaggeration." Instead of developing the productive forces, we damaged them.

In chapter one of this book, the author makes an analysis of the special conditions for socialist revolution in our country. He wrote: "Originally in our country small producers commanded absolute superiority. Agricultural production relied principally on manual labor and retained a semiself-contained character. For this reason, the development of our socialist economy must be based on actual conditions. We must skillfully combine principle and flexibility. We should not be bound by existing conclusions or adopt in wholesale fashion the patterns already shaped by Marx, Engels, Lenin or Stalin." This point has an important bearing on understanding the nature of the society in our country at present. We cannot take as our pattern what Marx conceived of socialism in his "Critique of the Gotha Program" and take for granted that any form at variance with this pattern cannot be considered a socialist society. For some time to come in our country, varying economic forms will continue to exist, but since the public ownership system has already become the principal system of ownership of the means of production, this type of society should be classified as a socialist society. In the "postscript," the author states: "Historically, since primitive society there has never existed a social structure which has a so-called pure and unadulterated composition.... Up to the present, even in the highly developed capitalist countries, a large number of small producers still exist. People do not refute their capitalist status on account of their 'impure' composition. Why must socialist countries be 'pure' and 'double pure'?" What he said was reasonable.

III. Progress While Exploring

In the "final notes" of this book, the author introduces two different views by certain comrades concerning the time of the book's publication. One view is as follows: Since the discussions began on practice being the sole criterion for determining truth, in the theoretical field many new problems have arisen. Comrades engaged in economic work are still discussing the problems of readjusting the national economic and restructuring the economic management system. A hundred schools of thought presently contend. Many problems have not yet been resolved. It would be best to wait a while and watch for the conclusion of the discussions before making the manuscript final. The other viewpoint is this: The discussions on theory and practice will last for a long time and restructuring cannot be accomplished within 1 or 2 years. Why not take part in the discussions as "one school of thought"? Certain errors cannot be avoided but greater service can still be rendered to actual work. Following deliberations, the author decided in favor of the latter view. The attitude that the author assumed was down to earth. This is first because socialism, as a new social system, has not yet attained maturity. We cannot expect a mature volume to be written on a still immature system. Second, this is because we are still acquiring an understanding of the economic laws of socialism. Apart from us, other socialist countries are still acquiring such an understanding. It is impossible to expect every viewpoint to be comprehensive and correct. While exploring, mistakes are unavoidable. That we are still able to discover mistakes shows that we have made progress in understanding. There is nothing wrong in this.

This book contains theoretical viewpoints of an exploratory nature. They are what the author himself calls viewpoints "belonging to one school of thought." For example, the idea that the productive forces should in part belong to the individual occupies a rather prominent position throughout the volume. Some comrades agree with this view, some do not. His analysis of the reasons for the existence of commodities in a socialist society is agreed with by some people but disagreed with by other people. The author refuted the idea that renminbi could take the place of gold. He advocated that the standard for measuring the value of money should not be the price of one commodity such as gold but rather the composite price of a number of products (composite price index). He thought that this should be the new development of the currency system, but some people disagreed. Concerning these problems, the author stated the following in the "postscript" to his book: "For many years opinions on some theoretical problems (such as whether the productive forces should in part belong to individual laborers and whether the renminbi should take the place of gold) have differed among the academic circles in our country and abroad. On these problems I maintain my original views. But I am willing to follow the principle of letting a hundred schools of thought contend and to continue the discussions with comrades in the academic circles." Hence, when learning from this book we must also have an exploratory spirit. The existence of disparity in scholastic viewpoints does not hamper our understanding of the socialist economic laws. On the contrary, the controversies between divergent viewpoints can possibly enable our understanding to approach the truth more rapidly.

The book was published more than 2 years ago. Looking at it in the spirit of the 6th Plenary Session of the 11th CCP Central Committee, it seems that there is nothing wrong with its basic direction. However, there are certain defects and deficiencies and the presentation on certain problems was not comprehensive enough. Accordingly, last year the author wrote a "postscript" which touched on three problems. The first problem concerned the concrete forms of socialist production relations. On the basis of the spirit of the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC," he discussed the concrete forms of the production relations at the present stage in our country. He also made certain revisions and supplements with regard to the following two topics:

One topic was the agricultural production responsibility system. The original text touched on this topic rather casually, and on the question of assigning farm output quotas to each household it appeared to have been somewhat restricted by the viewpoints that had been in circulation in the last few years. The "postscript" made a rather clear presentation of the various forms of the agricultural production responsibility system. The other topic was the alteration of a former viewpoint which had emphasized that development of the collective ownership system must follow the procedure of a transition from ownership by the production team to ownership by the production brigade, and then to ownership by the people's commune. It was clearly pointed out that in some cases the development of the collective ownership system in the countryside could take the transitional procedure of going from small collectives to large collectives, but that in other cases this procedure need not be followed and that various new combination forms may be adopted. The second problem related to planned economy and market regulation. The reason why in the "postscript" the author took pains to dwell on this problem was that, for a period of time, in academic circles the discussion of combined planned regulation and market regulation was rather prevalent. (In this book the author himself refers frequently to this topic.) But this presentation is not exactly correct, because it places planning and market regulation in opposition to each other. The "resolution" did not put it this way. What it stated was: "The planned economy must be implemented on the basis of the public ownership system; at the same time the supplementary role of market regulation must be brought into full play." This version first of all affirms that the socialist economy is a planned economy and at the same time brings into full play the supplementary role of market regulation. It is more correct and conforms with China's realities. The third problem touches on readjustment and restructuring. Efforts are made in this to alleviate certain skepticism expressed abroad (and within the country) concerning the readjustment of the national economy in our country. In reading this book the readers, if interested, should also read this "postscript."

CSO: 4004/29

WHAT IS MEANT BY SMUGGLING AND WHY IS IT NECESSARY TO CRACK DOWN ON SMUGGLING?

Beijing RED FLAG in Chinese No 6, 16 Mar 82 pp 40-41

[Article by Xi Wen [0823 5113] in "Question and Answer" column]

[Text] Answer: Smuggling is an illegal economic activity. It generally refers to the act of violating the stipulated laws of the state and illegally transporting goods for import or export. Since the appearance of international trade in the world and the imposition of restrictions on such trade, smuggling has become a universal phenomenon in various countries and regions. Smuggling is not allowed by any sovereign state. Ours is a socialist country. Smuggling is all the more not allowed. The "tentative customs laws of the People's Republic of China" and the "penal code of the PRC" clearly say that smuggling is an illegal act of upsetting socialist economic order and impairing state interests. Smuggling in serious cases is an offense according to criminal law. According to these prescribed laws, all such activities as illegally transporting, carrying or mailing goods, silver and gold, currency, bills, negotiable securities and other commodities across the border in violation of state regulations governing foreign trade, imports and exports and customs duties are in the category of smuggling--activities prompted by attempts to escape customs inspection, illegal foreign exchange trading, and evasion of customs duties. Those who engage in smuggling and illegal trading are subjected to economic sanctions and are even punishable in accordance with criminal law.

For a socialist country like ours which lacks a high level of economic development, cracking down on smuggling is of especially great significance. At present, the prices of certain consumer goods in our country, such as wristwatches, radio-tape recorders, television sets, chemical fiber products, and so forth are much higher than those abroad. Meanwhile, the prices of gold and silver, jewels, rare medicinal herbs, cultural relics and curios are much lower than those abroad. These price differences constitute a great economic stimulation to smuggling. Since the founding of the state, smuggling has waxed and waned and has sometimes reached quite serious proportions. In the past few years, our country has carried out an open-door policy. This helps to attract foreign capital, equipment and technology and accelerates the readjustment of the national economy and socialist modernization. In the future, we must persist in carrying out this policy. Meanwhile, the international bourgeoisie and the smuggling rings based in Hong

Kong, Macao and other areas have also seized this opportunity to exploit any loophole that has appeared in certain aspects of our controls. They have acted in collusion with lawbreakers at home and practiced smuggling in a big way. Certain people of some enterprises, undertakings serving the people, organs, public bodies and rural communes and brigades in our country, including an extremely small number of leading cadres, have thrown party discipline and state laws to the winds, and relied on their authority and on state and collective funds to carry out smuggling and illegal trading. They have promoted bourgeois liberalization in the economic area. This upsurge in smuggling and illegal trading has done harm to the state and society in many respects. Smugglers have violated our regulations governing foreign trade and imports and exports and have secretly brought in large supplies of consumer goods not needed as imports by the state, including second-grade and slipshod goods and imitations. On the other hand, they have smuggled out the state's valuable products and rare commodities in large quantities, or have engaged in illegal foreign exchange trading. They have thus avoided paying large sums in customs duties and industrial and commercial taxes. This has resulted in tremendous economic losses to the state. Smuggling has interfered with our industrial and agricultural production and hampered the development of our relevant national industries. Smuggling and illegal trading have given rise to many other illegal and criminal activities and disrupted peace and social order. In a small number of coastal areas where smuggling is rampant, the number of cases of gambling, robbery, theft, fraud, bribery, fighting, beating, murder, and so forth have risen sharply. Smuggling has had a corrosive effect on the cadres and the masses and has corrupted social morals. Driven by a desire for exorbitant profits, some people have fallen prey to bourgeois sugar-coated bullets and stepped on the criminal path. There are still more people who have illegally bought smuggled goods as bargain hunters.

From this, it can be seen that smuggling and illegal trading are downright criminal activities that are the scourge of the country and the curse of the people. The struggle between smuggling and antismuggling forces is one between bourgeois corrosive and socialist anticorrosive forces. This struggle is not only a serious economic struggle but also a serious political struggle. Our country follows an open-door policy in a long-term guideline that cannot be changed. But we must guard against attendant negative influences. We must take note that though the exploiting class in our country has been eliminated, its influence has still not been eliminated. The international bourgeoisie is invading and corrupting our revolutionary ranks in the political, economic, ideological and other areas. Under this situation, if we cannot keep a clear head and take a firm stand in consciously resisting such intruding and corrosive forces and waging a resolute struggle against smuggling, illegal trading and other crimes in the economic field, this will be an open invitation to the dumping of commercial goods by the capitalist world. This will weaken the revolutionary will of our ranks, disrupt the political situation of stability and unity in our country and affect the consolidation of the socialist system.

Cracking down on smuggling, illegal trading and other criminal activities in the economic field is one of the central problems that the party is determined to tackle with intensified efforts this year. This also represents an important measure to achieve a decisive change for the better in the party's style and the social style this year. We must have thorough understanding of the serious harm which smuggling and illegal trading present to the party and the state, and persevere in fighting these criminal activities, in order to better implement the open-door guideline in the economic area and ensure the smooth progress of economic readjustment and modernization.

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CADRES SHOULD BE TESTED ON THEIR THEORETICAL STUDY

Beijing RED FLAG in Chinese No 6, 16 Mar 82 p 41

[Selected letters from readers]

[Text] Theoretical study by cadres has been gradually stepped up since the 3d Plenary Session of the 11th CCP Central Committee. Considerable achievements have been made in this study as the units and individuals that have made good results in their study have continued to increase in number. But the progress is unbalanced; some units have let theoretical study drift, and they think that it makes no difference whether anyone studies or not and whether there are many or few people who take part in the study. Some other units that formulated plans for this study have taken a perfunctory attitude and consequently made no achievements. They considered such study as an important matter when they were mobilizing cadres to take part in the study, but they did not make proper arrangements and reduced the importance of the study in their actual work.

I think that to change this situation, it is necessary to step up education on the importance of this study, and what is more important is to establish an examination system for theoretical study. It is necessary to proceed from specific conditions and define the contents and requirements in the study and formulate related rules and regulations and a system. Like cultural and technical study, the achievements in theoretical study must also be considered as a criterion for testing, appraising, promoting and selecting good cadres. Study achievements must be appraised according to reality, and it is necessary to stress the importance of linking theory with practice and not just repeating statements. It is also imperative to produce research materials to enhance the study.

(Jia Jiajin [6328 1367 3866] of the Guangxi Zhuang Autonomous Region branch of the Agricultural Bank of China)

I suggest setting up an examination system for cadres' theoretical study, that advanced units and individuals be awarded, and that the attitude that it makes no difference whether to study or not and whether there are many or few people taking part in the study be changed. Following completion in the study of each subject or in a certain stage of the study, it is imperative for the higher management departments concerned to carry out examinations, with topics unifiedly defined and examination papers unifiedly checked. The results of examinations must be announced and included in the cadres' records. Those who have completed their study with good results must be awarded and given certificates and their study taken into account. Those who fail to meet the requirements must continue their study, and they will be permitted to move on to study the next subject only after they have met the requirements. The examinations must be based on high standards and strict demands; there should not be a perfunctory approach to them.

The cadres' theoretical study must be combined with their appointments, and their promotions must be based on the results of their study. All leading departments concerned must every year conscientiously check on the study of their cadres. In appointing cadres, these departments must regard the study of their cadres as an important content for deciding whether the cadres are competent. Those with excellent study results must be promoted.

(Li Guoyan [2621 0948 2513] of the Propaganda Department of Tangshan Prefectural CCP Committee, Hebei Province)

By the end of 1981, the Propaganda Department of the Yiyang Prefectural CCP Committee, Hunan Province, and various propaganda departments of the party committees and municipal party committees under the prefectural party committee conducted an examination of all their cadres on the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC." The examinations won active support from the leadership at various levels and the broad masses of cadres. They considered the examinations as a good opportunity for testing and improving their theoretical standard. With enthusiasm, they took the examinations and there were many moving deeds.

We found through the examinations that cadres' theoretical study must be carried out in a planned way and that it is necessary to give cadres coaching and establish an examination system. In fact, such measures are not new. During the early 1950's, there existed a complete examination system for cadres' theoretical study, but it was later misunderstood as "stressing application" and it was spoiled by Lin Biao and the "gang of four." Consequently, this effective method was abandoned. Also in the past we worked on planning for cadres' theoretical study. Much coaching was given and many reference materials were printed, and yet cadres were not enthusiastic about study. There even appeared a situation of letting the study drift. All this also contributed to the abolishing of the examination system. We hold that examination is an indispensable link in this study because it not only checks the results of study but promotes it. Recently, we conscientiously summed up the experiences and lessons in giving examinations and we have decided to continue the examination system and work to perfect it.

(Chen Daoyue [3088 6670 1471] of the Propaganda Department of Yiyang Prefecture Party Committee, Hunan Province)

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A NEW DISCOVERY IN SUBJECT MATTER FOR FILM PRODUCTION

Beijing RED FLAG in Chinese No 6, 16 Mar 82 pp 42-44

[Article by Chen Bo [7115 2330]]

[Text] The film "The Herdsman" has been much talked about recently by many people on the ideological front, particularly film, literary and news circles. They have praised it as a good film. Why does this film have such extraordinary artistic power as to be warmly welcomed by the people and to draw their praise? It is because, with realistic images, this film is able to grip the vast movie-going public. With poignant artistic scenes, the film vividly summarizes and portrays the conflict and contradictions of two different destinies, two different prospects, and two different ethical ideologies and world outlooks.

Xu Lingjun, the protagonist of the film, is an intellectual who was wrongly labeled a rightist. He is a primary school teacher on the grassland. His father, Xu Jingyou, the chairman of a big company, returns home from abroad and asks Xu Lingjun to follow him by entering the family's bourgeois business abroad, but he resolutely turns down the offer. Xu Lingjun is able to do so because he has linked his personal destiny and future with the destiny and prospects of his motherland. Consequently, his socialist ideology of loving his motherland overcomes his father's capitalist ideology of wanting his son to "follow in his footsteps" and to engage in an adventurous career by severing his fate and future from that of the motherland. The struggle between the two different destinies and prospects and the ideological struggle are the theme of the film.

Following is some of the dialogue between the father and the son in a Beijing hotel:

Father: "The San Francisco Chemical Company in the United States is my kingdom. People abroad are seeking personal fame and they engage in competition."

Son: "Dad, you've your own feelings about fame. Maybe because I'm used to collective life that I value the fame of our country."

Father: "Do you herdsmen usually read Marxist books?"

Son: "These kinds of books are printed in great number in China, so we have the chance to read them."

Father: "Now people in Western countries are also studying Marxism, even more than in China."

Son: "That is right, but they are studying from books and we in China--Dad, please don't talk about it!"

A moment later the father says: "What are you thinking about? The policies of the Communist Party can easily change. Now it is easy to get an exit visa, but it is hard to tell what it be like in the future." "Why is it so difficult for you to leave? You've suffered enough for 20 years."

This suffering refers to Xu Lingjun's being wrongly labeled as a rightist and sent to the grassland to be "reeducated through labor." Xu Jingyou thought that his words would hit the open wounds of his son's soul and so he continued his attack, saying: "I want to raise you up and restore your value as a man! I want to establish your belief! I...." He wanted to win over his son by projecting on him his own bourgeois personality and capturing him by using his own bourgeois ideology.

As for Xu Lingjun, he understands through his life experiences that the true current, true progress and true beauty of his life all come from his motherland. He found such feelings and belief from the laboring herdsmen on the grassland. Among these laboring people are Uncle Dong Kuan and his wife, who treated him as if he were their son, and Guo Pianzi and his wife, who took care of him as if they were his brother- and sister-in-law. This is a new moral principle which could only have been derived in a socialist country, and the laboring people's concern and love for an intellectual could only have developed in a socialist country. This situation is beyond the comprehension of Xu Lingjun's capitalist father. In particular, the film recalls Xu Lingjun's act of "marrying first and later falling in love" to vividly expound a new moral principle. A famine-stricken girl, Li Xiuzhi, fled Sichuan Province and came to Xu Lingjun's house. She could not have foreseen that Xu would respect and care so much about her. Extremely moved, she pinned her trust, hopes and happiness on him. This part of the story is unfolded exquisitely and thrillingly to present to the audience Xu Lingjun and Li Xiuzhi, who were strangers to each other and who in the tortuous path of the progress of their motherland met with misfortune, which only added luster to their lofty morality and beautiful souls. On such a foundation, they grew to know and love one another even more deeply after they were married. When they were married, their neighbors came to congratulate them. The herdsmen happily helped them and gave them cloth and grain coupons without leaving their names. Such a natural expression of the lofty morality of the laboring people vividly demonstrates the new socialist morality and ethics. This situation is in sharp contrast to the ethical standard of selfishness of the millionaire Xu Jingyou. After they were married, their life of labor and love continued to grow; they enjoyed happiness together with the laboring people, and they linked the fate of their family and lovely son with the prospects of their motherland. This situation is beyond the comprehension of Xu Jingyou and his female secretary. The secretary was staggered to learn that Xu Lingjun had married first and then fallen in love, and that following the redressing of his case, he was willing to spread culture by working as a primary school teacher. She came to realize that he was a man with resolute, firm and calm character. She thought that should Xu Lingjun become the successor of Xu Jingyou, he would be able to win fame for his father, the chairman. Consequently, she urged the chairman to grasp well his "investment in talent." She considered the great socialist motherland from a wrong angle; her understanding of Xu Lingjun, who had been nurtured by the motherland, was also wrong. The film skillfully uses flashbacks to express the answers given by Xu Lingjun through his interesting discussion with his wife on the grassland. What Xu Lingjun had in mind was expressed through the words of his wife, Li Xiuzhi:

Xu Lingjun: "Why? You think I can't leave you, don't you?"

Li Xiuzhi: "I've no such thought. I know that you would hate to leave the children in the school, the countryfolk, and Uncles Guo Pianzi and Dong. You would also hate to leave that (pointing to a national map on the wall).... Well, you can put it in your pocket and take it along, but it's only paper. You can't carry Qilian Mountain, nor can you carry the grassland."

Such is the socialist morality of Xu Lingjun and Li Xiuzhi, and it is a vivid display of their true souls. The screenwriters and producers of the film used such vivid language to counter the intention of the chairman and his secretary of "investing in talent" and their ethical concept of "the son following in his father's footsteps." Xu Lingjun said to his father: "Men do not live just to enjoy material life"; "Our motherland is now taking the correct road and I'm willing to climb this slope together with the people." Failing to understand his son, the father asks: "Is there such a strong attractive force?" He answers with deep feelings: "You can't but share the excitement of the people who witnessed their country rising above the blood and turbulence!" These are not only the words of Xu Lingjun; they represent the feelings of the broad masses of people.

The bourgeois mode of life is nothing but the pursuit of money, and their morality is to make profit and harbor egoism. According to the bourgeoisie, men are always selfish; others are eliminated in competition and exploited, and it is justifiable to enjoy happiness from the miseries of others. This is the ethical principle of Xu Jingyou and his like. The moral principle represented by Xu Lingjun and Li Xiuzhi includes ardent love for the motherland and socialism, sacrificing themselves for the interest of the people, and their true love and support of each other. Last year the film "House Full of Happiness" opened up a new world of ethical subject matter for film production, while this year the film "The Herdsman" resulted in a new development in this direction; the film production situation is very encouraging. To advocate new socialist moral principles and develop creative works around this theme are very important tasks for building socialist spiritual civilization, and such works have a wide range of content. We must continue to create artistic works and make further progress!

Some people hold that in the film "The Herdsman" the thinking and deeds of Xu Lingjun have been glossed over and beautified and the description has been "idealized." Therefore, the film is not realistic. By "reality" these people mean that Xu Lingjun must go to the United States with his father, who once abandoned him to enter business and become a capitalist. Of course, we must understand that following the implementation of the open-door policy, some people who are not resolute will yearn for the bourgeois way of life because of the penetration and influence of capitalist ideology. But can we consequently say that the man like Xu Lingjun is not true to life? No, that is not so. In fact, there are people who were wrongly labeled as rightists during the broad antirightist campaign and persecuted during the 10 chaotic years, but who have refused the invitations of foreigners to teach abroad; there are people who were teachers and artists in other countries but refused to stay abroad even though they were offered jobs with high salaries. Some Overseas Chinese with particular knowledge have returned to China to live a hard life in order to contribute their specialized knowledge to their motherland. A girl from the rural areas was asked to stay abroad and was offered a high salary when she was visiting the United States to demonstrate drawnwork handicraft techniques, but she refused. A chef from China who gave demonstrations in the United States was asked to stay there with a monthly salary as high as several thousands of U.S. dollars, but he refused. Some of our scientific and research personnel who are studying abroad have won high prestige through their own creations and inventions, and consequently foreign universities have vied with each other to win them over by offering them positions as professor, but they said that their careers are in their motherland. All this happened recently. Generally speaking, they are not just individual examples, but are representative of the true nature of our life. In the film, Xu Lingjun is a typical character that has been concentrated, extracted and created by writers and artists from the current reality and the masses. How can we say that the film glosses over reality? How can we say that the character is "not true to life"? Comrades who put forth such opinions have either departed from reality or do not really understand the revolutionary and realistic creative method of culture and literature.

If we say that there are some shortcomings in the film, we must say that these shortcomings lie in the fact that Xu Lingjun's ardent love for herdsmen, horses and the grassland, his great ideal of building the grassland and his lofty moral spirit are not fully presented. Artistically speaking, the description of revolutionary romanticism such as depicting many scenes of the vast grassland and of galloping horses and the description of Xu Lingjun's ardent love for and great ideal of building the grassland are not enough. The reconciliation between Xu Lingjun and his wife would be depicted more profoundly and movingly if this scene were changed from Xu Lingjun's giving his savings to Li Xiuzhi to cover her travel expenses and seeing her off to his returning home to find here there. Such a scene would serve to depict the change in the feelings of the couple. The film uses narration to interweave flashbacks with subjective monologues and reality, and this is no doubt a probe into a new method of film production and, therefore, merits trying. But some scenes are difficult for the audience to follow.

"The Herdsman" was shown in Beijing in the spring of 1982, and we warmly welcome it. With this film taking the lead, we believe that our film production will be able to meet the expectations of the party and the people and "persist in the method of 'one divides into two' and make further progress" so that more good films will be produced.

CSO: 4004/29

ANALYSIS OF THE SOCIAL WELFARE SYSTEM IN DEVELOPED CAPITALIST COUNTRIES

Beijing RED FLAG in Chinese No 6, 16 Mar 82 pp 45-48

[Article by Yao Tinggang [1202 1694 4854]]

[Text] After the great crisis of 1929-1933, which shocked the capitalist system, and especially after the end of World War II, the monopoly capitalist class in capitalist countries embarked on a social welfare system. This system can generally be divided into two parts--social security programs and welfare subsidies. Under the social security programs, it is compulsory for all employed workers to contribute a part of their income regularly to pay their insurance premiums (or social security taxes), which in turn forms the basis for social security funds. Social security includes insurance against old age, unemployment, disability, industrial injury and medical expenses. Under old-age insurance, the insured can retire upon reaching retirement age and can receive pensions if they had paid premiums for a given period. Under unemployment insurance, the insured can apply for their unemployment allowances for a period of half a year or 1 year. After this period, if they are still jobless, they can apply for welfare subsidies. Under disability insurance, insured workers can draw disability or disability allowances if they fall ill or become disabled. They can receive allowances until they recover or die. Under industrial injury insurance, compensation is available to insured workers or their families upon their death if they are the victims of industrial accidents or if they suffer occupational diseases. Under health insurance, insured workers can receive reimbursement of part or all of their medical expenses. In general, welfare subsidies come under government appropriations, and can be considered as a kind of social relief. They are mainly: 1) allowances for people who lose their source of income because of old age, disease and disability or people who are old, weak, sick or disabled and live below the minimum standard of living although they might receive retirement pensions; 2) family allowances, which help low income families to bring up children; 3) rent allowances, which supply low-income people with subsidies or loans to pay their rents; 4) other items, such as student allowances, food allowances, lying-in women allowances, and so on.

The welfare and treatment of working people in the major capitalist countries have truly been improved since World War II, but does this mean that the exploitative nature of capitalism has changed and that the proletariat is no longer exploited? To examine this issue, we must take the Marxist viewpoint to analyze and arrive at an answer.

1. When adopting widespread social welfare policies, the monopoly capitalist class does not proceed from a sense of benevolence, but aims at mitigating class contradictions and consolidating its rule.

In 1929-1933, an unprecedentedly severe economic crisis occurred throughout the capitalist world, and it shook the capitalist system to its very foundation. Widespread unemployment and the resulting poverty caused by the crisis drastically sharpened the class contradictions in capitalist countries. Working people rose up to fight against capitalism everywhere. The revolutionary movement was then on the upsurge. In order to mitigate the class contradictions and to save the precarious rule of the monopoly capitalist class, the theory of the welfare state based on welfare economics and Keynesism emerged. This theory held that capitalist states should adopt suitable tax policies, redistribute national income, and implement social welfare policies, including social security and unemployment allowances, so as to promote economic prosperity. Under the stress of circumstances and the pressure of the working people's struggle, the monopoly capitalist class could not but adopt these measures and embark on social welfare policies.

After the end of World War II, new conditions arose. First, the proletariat in capitalist countries were further awakened and waged political and economic struggles on a magnificent scale. Awestruck by the growing strength of the proletariat, the monopoly capitalist class had to make some concessions and gradually expanded social welfare measures. Second, owing to the third scientific and technological revolution, productivity in developed capitalist countries was greatly improved in the 1950's and 1960's. This made it possible for the capitalist class to give better wages and welfare treatment to the working people, because the relative surplus value and exploitation rate were being raised. Third, great development was made by multinational corporations, which have subsidiaries all over the capitalist world. The profit rates of their investments in developing countries are much higher than those in their own developed countries. Thus the capitalist class of developed capitalist countries can rake in superprofits, and can give the workers in their own developed countries higher wages and better welfare.

2. Implementation of the social welfare system is necessary for the monopoly capitalist class to grab higher monopoly profits and to maintain its class interests.

Engels pointed out long ago, "The bourgeoisie can also pretend to be merciful, but only when it is necessary to maintain their own interests." ("Collected Works of Marx and Engels," Vol 2, p 568) When high surplus value is guaranteed, the monopoly capitalist class finds that it is necessary to expand social consumption, so that they can free themselves from the plight of production stagnation. When economic crises occur, by utilizing this social welfare system, which can function as an "automatic stabilizer of the economy," state monopoly capital can mitigate a crisis and shorten the periods of crisis. The bourgeoisie also use all kinds of terms stipulated in the social security programs to fetter the workers, preventing them from taking part in strikes and political struggles. Through these tactics of drawing popular support, they can lull the fighting will of some of the workers and foster reformist and revisionist ideological trends in the worker ranks, so as to delay the emergence of revolutionary upsurge. Capitalist parties and politicians also use the improvement of the welfare system as one of their slogans in election campaigns in order to gain votes.

While implementing the social welfare system, the monopoly capitalist class tries its best to make this system bring more benefits to the higher income groups and to the exploiters. For example, there is a salary cutoff for the social security tax in the United States. As a result, low-income people find that their entire salaries are taxable, but for people in higher income groups, a part of their income is not taxable. In fact, this can be called "reverse progressive taxation." Besides, income from dividends, interest and rent are not necessarily taxable. People who have high incomes can also open "individual retirement accounts," by which they can save a large portion of their income from taxation and reserve this money for their retirement. Furthermore, government employees at all levels, especially congressmen, high-ranking officials, judges and career soldiers, enjoy a retirement system with excellent pay and other benefits. Even the famous American economist Milton Friedman could not but concede that the social welfare system in the United States "harms people in low-income groups and benefits people in middle- or high-income groups." Similar situations exist in other developed capitalist countries.

3. In developed capitalist countries, the social welfare expenditure is, in the end, a burden on the working people because of high tax rates and high prices.

In developed capitalist countries, working people in general pay their insurance premiums or social security taxes on a monthly basis, which guarantees their being entitled to certain benefits. Because of the expansion of social security coverage, the relaxation of insurance compensation conditions, the drastic increase in the amount of compensation due to inflation and poor management, the rates and amounts of premiums and insurance taxes have increased rapidly. In 1980, workers in the United States had to pay social insurance tax at a rate of 6.13 percent, as compared with the rate of 1 percent in 1937. The maximum taxable yearly income also rose from $3,000 in 1937 to $25,900 in 1980. The British national insurance program of 1979 stipulated that workers at the ordinary income level (weekly income from 19.5 to 135 pounds) should pay 6.5 percent of their income for insurance. In 1979, West German workers had to pay 9 percent of their wages for retirement insurance and another 5.65 percent for health insurance.

Of course, developed capitalist countries generally stipulate that both employers and workers should pay half of the various social insurance premiums. That part of the premium paid by employers seems to be paid by the bourgeoisie, but in fact it is also part of the value created by working people. Capitalists can always use such methods as forcing wages down or hiking prices up to shift these expenses onto the working people.

Expenditures on all kinds of social welfare benefits derive in part from the insurance premiums paid by employers and workers; the other part is derived from the state treasury. But the welfare subsidies and relief funds paid to people in the low-income and poverty categories are totally derived from the state treasury. This part appears to be given by the ruling class. In fact, capitalist states raise these funds by increasing taxes; in the final analysis, it is still the working people who bear this burden. In the United States, all kinds of taxes accounted for 31.2 percent of the workers' taxable wages in 1977. Sweden is famous for its comprehensive welfare system, but its tax rates are also terribly high. In 1980, a single, low-income Swedish worker with a yearly wage of $15,000 had to pay one-third of his income in taxes; as for people whose yearly income is higher than $15,000, one-half of their income has to go to pay taxes.

In spite of continuous increases in taxes and tax rates, revenues in the budgets of developed capitalist countries still cannot cover expenditures; huge deficits are a common phenomena. As a result, inflation is getting worse and worse, and commodity prices are becoming higher and higher. In fact, inflation and high prices are a kind of special taxation, by which, monopoly capitalist governments can further squeeze the working people.

It thus can be seen that, under the capitalist system, the social welfare funds are part of the labor force value created by workers in their necessary laboring hours. These funds are a part of the value of the means of subsistence, on which the worker can only maintain himself and his family at the basic standard of living. The only difference is that in the past these funds were managed by the workers themselves, but now a larger and larger portion of them is paid by monopoly capitalists in the form of welfare funds and fall under the unified control and management by the state machinery of state monopoly capital.

4. Although working people in developed capitalist countries have enjoyed high welfare benefits since World War II, this fact has not changed the exploitative nature of capitalism, has not mitigated the exploitation of working people, and still less has changed the exploited and enslaved position of wage workers.

As mentioned above, under the capitalist system, social welfare funds are part of the value of the workers' labor force. Guaranteeing the surplus value of the bourgeoisie is a necessary precondition for increasing these funds. Although social welfare funds have increased, the workers' working hours can still be divided into necessary laboring hours and surplus laboring hours. Thus the bourgeois practice of wringing out the workers' sweat and blood has not changed in the least. The workers' position of being exploited and enslaved has also not changed in the least. Long ago, Marx pointed out: "As better food and clothing, better treatment and more property could not eliminate the subordination and exploitation slaves suffered, the same change will also not eliminate the subordination and exploitation wage workers suffer. In fact, the increase in labor prices owing to the accumulation of capital only shows that the golden chains binding wage workers have become slightly looser." ("Das Kapital," Vol 1, p 678)

Furthermore, even an increase in social welfare funds cannot mitigate the degree of exploitation that workers suffer. Quite the opposite: by improving the welfare system, monopoly capitalists can mobilize the producers' initiative and improve productivity. As a result, the surplus value rate can be further raised and the degree of exploitation of the workers is also increased.

According to statistics, in the United States the workers' real income (nominal wages plus welfare benefits after deducting taxes and the effect of inflation) rose by 97.7 percent from 1948 to 1977. Of this income, the proportion of social welfare funds and capitalist enterprises' welfare funds rose from 9.4 percent in 1948 to 30.7 percent in 1977. However, in the same period, the proportion of workers' real income in the national income fell from 29.3 percent to 26.3 percent, but the surplus value rate rose from 236.7 percent to 280.9 percent. The workers' surplus laboring hours (on the basis of an 8-hour day) were correspondingly prolonged from 5 hours 37 minutes to 5 hours 54 minutes. According to Hans Tamel, an East German economist, the postwar surplus value rate in West Germany rose from 181.4 percent in 1950 to 260.0 percent in 1975.

5. Strict conditions are always laid down in the social welfare systems in developed capitalist countries; the amounts of insurance compensation and welfare allowances are too small to cover all the people who should be covered, still less to eliminate poverty.

The United States is the most developed capitalist country, but obvious defects and problems exist in its social welfare system. First, owing to harsh terms, many people, especially those in the poverty category, cannot draw any welfare allowances. For example, besides the retirees having to reach retirement age, pensions are only available to retirees if they had paid into the pension fund for a specified period of time. Disability terms are equally harsh, and a minimum period of paying premiums is required for those who draw disability allowances. Furthermore, only after being disabled for 6 months, can a person draw a disability allowance. Unemployment allowances are issued according to the beneficiaries' working time and their wage levels; these allowances are paid to them only for a specified period of time. But those who resign of their own accord and those who are dismissed for just cause are not eligible for unemployment benefits. Property ownership and income levels are strictly enforced to regulate welfare allowance eligibility. According to statistics, in June 1977, there were 7.7 million people who had suffered permanent disabilities in the United States. Owing to harsh terms, only 3.3 million of them could draw disability allowances. Second, there are some workers who are not covered by any social security measures. For example, in recent years, those covered by old-age and disability insurance only account for 90 percent of the employed workers. That means that there are still 10 million workers who are not covered. Many states in the United States exclude farmworkers, housewives and temporary workers from eligibility for unemployment insurance and industrial injury benefits. Except for those suffering from silicosis owing to having worked in coal mines, many people who contract occupational diseases cannot get any allowances. Third, the problem of guaranteeing medical treatment to those suffering from various diseases has not yet been solved. "Medicare" and "Medicaid" so far cover only a part of the medical expenses for old people and for low-income families with children. As for the health insurance of employed workers, premiums are generally paid by both employers and workers to some private insurance companies. The premium rates are very high, but the compensation only covers one-third of the insured medical expenses. According to statistics compiled by the U.S. National Institute of Health, even considering those insured by insurance companies, there were still 24 million Americans who were not covered by any health program, and another 20 million Americans who have a low level of health insurance coverage. Fourth, social security compensation and welfare allowances are very low. Unemployment allowances are generally equal to 40 percent of an unemployed person's former wages. Industrial injury benefits are only equal to two-thirds of an injured worker's former wages. According to statistics, a single American worker can only receive a pension equal to 31 to 58 percent of his wages before retirement. A married worker can receive a retirement pension together with his family allowance only equal to 47 to 78 percent of his wage before retirement. Therefore, many beneficiaries of social security and receivers of welfare allowances still live below the poverty line.

6. The social security system in developed capitalist countries is now facing a crisis. The monopoly capitalist class in some countries is trying to undermine the fruits achieved by the working people by long-term struggle.

As mentioned above, the major capitalist states raise their social security funds mainly by taxes. Although the rates of these taxes have been raised again and again, the state revenues still cannot cover the expenditures, thus causing these countries to face an inextricable crisis. For example, because of inflation and unemployment in recent years, the U.S. Government shifted part of funds for welfare allowances from the state treasury to the social security system. Coupled with other factors, such as the fact that the proportion of employed workers to retirees has declined, the growth rate of the income of social security funds is far behind the growth rate of their expenses. According to statistics, between 1977 and 1981, income for U.S. social security funds was $499 billion, but the expenditures of these funds were $540 billion, thus causing a deficit of $41 billion. In the current economic "stagflation," this is a prominent problem.

The fundamental reason for this stagflation lies in the basic contradiction in the capitalist system between the socialized production and the private ownership of the means of production. However, the monopoly capitalist class and its advisers attribute "stagflation" to the social welfare policies. They advocate that costly welfare programs have resulted in the weakening of the competitive power of their products on the international market and have fostered laziness and a dependent mentality among workers, thus lowering productivity and causing financial deficits and inflation. They maintain that the social welfare standard should be lowered and expenditures for social welfare items should be reduced. One of the major measures proposed in the "economic recovery program" of the Reagan administration is to reduce government expenditures, especially expenditures for social welfare programs. Other developed capitalist countries are also considering taking the same measures. If they really decide to adopt such measures and put into effect plans to slash social welfare expenditures on a large scale, they will not only find that they cannot free themselves from their economic plight, but, on the contrary, they will evoke stronger indignation and opposition on the part of working people, thus further sharpening class contradictions.

CSO: 4004/29

THE PARTY'S WORK STYLE SHOULD BE GRASPED IN THIS WAY

Beijing RED FLAG in Chinese No 6, 16 Mar 82 inside back cover

[Article by Zheng Nian [6774 1528]]

[Text] Recently a few localities achieved marked results and gained new experiences in grasping party work style. Their approach to dealing with unhealthy tendencies is not to be afraid of them and not to stall for time. Their methods are as follows: It is necessary to select an outstanding problem in the localities as a point of penetration; the leading bodies at various levels should set an example by each taking charge of the lower level, all the way down to the grassroots level; it is necessary not only to investigate and handle typical cases in earnest but at the same time put stress on ideological education. Evidently this is a good way for grasping party work style.

Some people say: "Unhealthy tendencies are like persistent ailments which are difficult to cure!" Not necessarily so. Whether they are "persistent" or "difficult" is decided by whether the leadership is determined to grasp them. If the leadership is determined to grasp them, they are neither "difficult" nor "persistent." If the leadership fails to grasp them, they are both "difficult" and "persistent." Recently a few localities conscientiously handled some typical cases. This news was published in the press. At the same time practical measures for checking these unhealthy tendencies were set forth and the leadership at various levels was instructed to implement them conscientiously. What with the resolute attitude on the part of the leadership and the effective measures and appropriate methods, the desired results were achieved very quickly, so that a healthy atmosphere prevailed and the unhealthy tendencies were visibly checked. The masses said: "So long as the leadership is not weak, it will be possible to improve party work style." The fact that they have won the very first battle is sufficient to explain that everything has a dual nature and that the unhealthy tendencies also have the aspect of a "paper tiger." So long as we can change the state of "being impassioned in speech, weak and flabby in action and softhearted in dealing with a problem," it is entirely possible to overcome them. In grasping party work style, it is no good to remain at the stage of issuing a general call. It is absolutely necessary to dare to grasp it and to grasp it firmly. So long as we can tackle a few issues and deal with them in a down-to-earth manner, we will be able to promote our work. Once the general atmosphere has changed, all "persistent" and "difficult" problems can be readily solved.

Other people say: "In order to check unhealthy tendencies, it is necessary to launch a campaign. Otherwise, there will be no possibility for improving party work style." The question now does not lie in whether we should launch a campaign but in whether we grasp party work style in earnest. In dealing with unhealthy tendencies, we cannot just sit and wait. We should go into action right away and wage struggles against them. It is necessary to sum up our experience in struggle and find out the ways to defeat them. The reason why the experiences gained in these localities are valuable is that they have proceeded from reality and struggled against the unhealthy tendencies by starting from grasping the outstanding problems in the localities. We should select the point of penetration well so that we can focus our attention on the main problem. When the leadership and the rank and file are of one mind and act in unison, it will be possible to change the situation in a very short time. It is necessary, in accordance with unified planning, to grasp, supervise and inspect the work from one level to another, and check it on schedule before acceptance. This will not only build up momentum but also enable the work to be carried out in earnest, thus giving full play to the power of the organizations. With respect to those people who dare to defy the law, it is necessary to deal with them according to law. By handling a case in this way, we will be able to reap the benefit of educating many people. It is necessary to hold organizational meetings well and solve the existing problems ideologically by discussing the harm and examining the ideological roots of the unhealthy tendencies. In the past some people held that it would have been "unreasonable" or "make things difficult" if they had not practiced unhealthy tendencies, and now they hold that by practicing unhealthy tendencies, they had "vilified the party, divorced themselves from the masses, and, if these tendencies were allowed to continue unchecked, they would adversely affect the four modernizations drive." In the past some people continued to complain about being wronged in their heart of hearts after they had made a "self-criticism" and returned what they had unlawfully taken or had paid compensation for; now they keenly regret their mistakes when they make self-criticisms and feel relief afterward. We have gained this enlightenment from these experiences: various localities should proceed from the local conditions, list the unhealthy tendencies about which the masses have many complaints, select a point of penetration and, after concentrating for a period of time to solve an aspect of the problem, go on solving another aspect of the problem. It is especially necessary to seriously handle major criminal cases regarding the economy and other aspects and to investigate and handle existing major criminal cases in the economic field in which some responsible cadres are involved. By constantly grasping the problem in this way, we shall certainly be able to drastically reduce the unhealthy trends and evil practices in the party, and a completely new situation in party work style will certainly emerge.

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CHINA REPORT
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No. 7, 1 April 1982

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CONTENTS

Several Questions on Current Economic Work (pp 2-10)
(Zhao Ziyang) 1

Be a Clear-Headed, Staunch and Promising Marxist (pp 11-14)
(Editorial Department) 19

Readjust the Agricultural Sector, Improve Economic Results (pp 15-19)
(Bai Rubing) 25

Mr Li Dingming and the Idea of Better Troops and Simpler Administration (p 19)
(Huang Zheng) 35

It Is Imperative To Uphold the Basic Principles of Marx' Theory of Reproduction--Part Three (pp 20-25)
(Deng Liqun) 38

On Goal, Base and Speed (pp 26-27)
(Jin Wen) 49

What Is Credit Inflation, and Is It the Same as Currency Inflation? (p 28)
(Chen Wenlin) 53

Several Questions Which Call for Attention in Literary and Art Creation at Present (pp 29-31, 43)
(Wen Hua) 55

A Brief Discussion of the Theory of 'Natural Rights' (pp 32-36)
(Gu Chunde) 61

Strengthen Socialist Education in the Countryside (pp 37-40)
(Fan Kang).. 69

Change Habits and Customs and Make the Environment More Beautiful (pp 41-43)
(Yang Rupeng)... 77

False Historiography Serving Regional Hegemonism--Commenting on Some Fallacies in the Historiography of Vietnam (pp 44-48)
(Dai Kelai, Xu Yongzhang)....................................... 82

It Is Necessary To Pay Simultaneous Attention To Planting and Protecting Trees (inside back cover)
(Li Mingfu).. 90

SEVERAL QUESTIONS ON CURRENT ECONOMIC WORK

Beijing RED FLAG in Chinese No 7, 1 Apr 82 pp 2-10

[Speech by Zhao Ziyang at the national industrial and communications work conference on 4 March 1982]

[Text] The current national conference of industry and communications has discussed and studied measures for such issues as improving the economic results and doing a good job in this year's industrial production, communications and transport. Experiences in this regard have also been exchanged. According to everybody's view, the meeting is a successful one as it is held at an early date and it has a clear and definite guiding thought and a prominent central theme. Everybody maintains that this meeting will give a great impetus to this year's industrial and communications work. Now I would like to talk about the following questions:

I. On the Question of Raising Economic Results

On the basis of last year's remarkable achievements, our country has made further progress in industrial production since the beginning of this year. Judging from the results of January and February, the trend in production is good, and it is completely possible to fulfill this year's target of ensuring a 4-percent increase and striving for a 5-percent increase in total industrial output over last year. What we are afraid of this year is not about the problem of growth rate but about the failure to pay attention to economic results. It has been reported that there are still many cases of raising the quotas of output value at each level. While presenting the target of ensuring a 4-percent increase and striving for a 5-percent increase, the central authorities have already taken into consideration the speed of growth planned by various provinces and have incorporated this factor in the state's unified plan. However, certain localities and departments, while handing down the quotas, have raised the quotas at each level regardless of possibilities. Everybody wants to achieve a greater output value and speed up the growth. This is beyond reproach. During the period of readjustment, our country's national economic development must maintain a steady speed and we must not think that the slower the speed, the better. The issue is: We must unify speed with results. We must strive to attain the goal of having good results as well as a rapid increase in output value. It is certainly a good thing if such speed can be further accelerated; but if we only pursue output value and pay no attention to results, such a "speed" will do us more harm than good. Rather we should work in a down-to-earth manner so that our work will not be hindered by our seeking false reputation. The main problem now is not negligence of output value, but negligence of results. Certain localities and units have made much greater efforts to increase output value than to raise economic results, or they have only verbally claimed to raise economic results but have taken no practical and effective measures to attain the goal. The State Council maintains that it is necessary to emphasize correcting the guiding thought in industrial production. This is to say that we must stress economic results and a solid, not inflated, speed. This issue of having a correct guiding thought applies not only in industrial production, but also in capital construction, circulation and other fields of the national economy.

For a long period, we ignored benefits in blind pursuit of increased output in industrial production and did a great many foolish things. In the years after 1958 and during the "Great Cultural Revolution," the output figures were considerably inflated and waste was quite serious. The lessons in this respect are very profound. This problem continued after the smashing of the "gang of four." Although last year the figures were less inflated than in the past, many localities reported sharp increases in output values during the fourth quarter. This also caused some problems. Various provinces should figure out the extent of exaggeration in their growth rates in order to be sober-minded. Blind pursuit of increased output will necessarily result in the stockpiling of large quantities of goods. According to the data of the State Statistical Bureau, 58 major products were excessively stocked by commercial departments at the end of 1981. Output increase of certain products may be advantageous from the view of the part, but the result may be completely opposite if seen from the whole. For example, in east and northeast China where energy was already in short supply, some localities greatly overproduced for export ferroalloy and other products that consume large amounts of energy. This forced the east and northeast China power systems to generate more electricity than their capacity, or "eat their corn in the blade," as the saying goes, in order to meet the power and energy requirements. Such practices, if continued, will not only aggravate the dislocation but will also result in the recurrence of the past phenomena when "industry reported good news, commerce reported bad news, warehouses became overstocked and the financial revenue was zero." In the end, the banks were asked to issue notes to cover the deficits and the state and people suffered from it. If it was inevitable for us to do some foolish things in the past because of our lack of experience, we should have learned from them and become wiser. We must not repeat those foolish things of the past. Comrade Xiaoping has pointed out that to pay attention to economic results is an extremely important policy in all work. We should tap our potential and quicken our pace in raising the economic results. Last year at the Fourth Session of the Fifth NPC, the State Council put forth 10 principles for economic construction. The key point of these principles is to raise the economic results. Now that the NPC has approved these principles, we must fulfill them by our actions; they must not remain just words. This year we must have a major change and open up a new phase in raising economic results.

When we talk about economic results, it is first of all necessary to make clear one main point, that is, that we should spend as little living labor and as few materials as possible to produce still more products that meet society's needs. The first part of this sentence means that it is necessary to be as economical as possible and to reduce as much as possible the expenditure of living labor and materials. The second part of the sentence means that it is necessary to create more property for society, the key here being that the products must "meet the needs of society." It is not sufficient just to talk about producing more products, since that would not affect economic results. If the products are not what society needs, then the more we produce of them, the greater waste there will be. Therefore, the products we produce, including their quality, color, design and quantity, must meet the needs of society and be readily marketable. These needs are realistic and coincide with the actual level of investment and purchasing power. Society's needs are many-sided; they include the production needs and consumption needs and consist of demands in both of these two major categories. These needs change continuously with the development of production and construction and the improvement of the people's livelihood; there are different needs for different stages and each individual locality has its special needs. Whether we produce medium- and high-grade products or popular goods of dependable quality, we should always meet the needs of society. Only when the products meet the needs of society can the labor expended for these products win society's approval and can we have valuable and useful products instead of having wasted labor and useless articles. Our plans should proceed from the overall situation and take into account the future and the past; they should reflect as accurately as possible society's demands and meet the needs in the development of society. Only thus can we enable the national economy to develop in coordination with plans and in a proportional manner. If the products do not meet society's needs and are not readily marketable, there can be no proportionate and coordinated development. In our economic work in the past, what we neglected was exactly this fundamental point; consequently many problems arose. Producing more products that meet the needs of society with the expenditure of as little living labor and as few materials as possible is precisely what basic socialist economic law demands, and what the law of developing the national economy according to plans and in a proportional manner calls for. A socialist country should study the needs of society well and continually satisfy the needs of society; this is the aim we communists strive for. This guiding ideology must be firmly established. In handling economic work, the whole party should concentrate its efforts on saving as much living labor and as many materials as possible and on meeting the needs of society. It should make efforts to find new ways of raising economic results.

The question of raising economic results involves various aspects and is a considerably difficult question. As to why it is not easy to succeed in meeting the needs of society, there are two main reasons: One is limited understanding. Society's needs cannot be seen clearly at once, and it is especially difficult to see them clearly beforehand. It is usually when commodities go out of stock in the markets that their shortages are noticed, and it is usually when the warehouses are filled with stockpiled commodities that their excessive quantities are discovered. This demands timely understanding of the needs of society, understanding of market changes and trends, and improvement and enhancement of the level of planning work. The other reason concerns the question of interest relations. We should ascribe definite interests to enterprises and recognize and take care of the definite interests of localities. Failing to recognize such interests will result in eating "in the same canteen as everyone else," in which situation anyone can become irresponsible. When definite interests are ascribed to them, it will be easy for departments, localities and enterprises to determine their economic activities according to their interests. Some of the policy decisions of departments, localities and enterprises meet the needs of society, but others run counter to these needs. Although some products may not meet the needs of society, their production is carried on as usual; the plants share profits as usual; the localities receive a greater percentage of the profits and the commercial and supplies departments do not have to worry about overstocking of these products in the warehouses after their purchases because in the end they are completely taken care of by state finance. Consequently, falsehoods about output value continue protractedly without ever being resolved. Therefore, fundamentally, besides the demand that enterprises improve their business management and raise their scientific and technological level, raising economic results involves the questions of economic systems and economic structures and depends on the readjustment of economic structures and the reform of economic systems; there is no other way out. However, we cannot just wait and hold off our actions until the economic systems have been reformed and the economic structures have been readjusted. To solve this problem under the present situation in which system, structures and prices are all irrational, it is necessary to bring into full play the role of the leadership, namely, by strengthening guidance in planning and administrative intervention and strengthening supervision and inspection. An important task of the planning and economic commissions at various levels is to find out the extent of stockpiling, make a concrete analysis and seriously deal with it. If the products are needed by society but are stockpiled due to problems in the circulation of commodities, efforts should be made to actively strengthen marketing work and especially to open up rural markets or, in some cases, international markets. If the products are clearly not needed by society and are in the category of impractical goods from the view of the whole, administrative and economic measures should be applied. In such cases, administrative intervention should be firmly made without any fear of giving offense. If certain products are indeed overproduced, their production should be restricted. If certain products are temporarily in short supply, there is no need for us to rush headlong into producing them all at the same time. In stressing economic benefits, we should not only keep sight of the immediate benefits and the benefits to the part, but more important, we should not lose sight of the long-term benefits and the benefits to the whole. To make products meet society's needs--in addition to readjusting plans in a timely manner in light of market changes and intervening administratively and applying economic measures--it is necessary to strengthen market forecasting and improve planning work. At the same time, it is necessary to formulate and publish the economic and technical criteria for products and the criteria for factory construction as quickly as possible and strictly enforce this criteria in order to stop blind factory construction and blind production.

Bringing economic work to the path of raising economic results is the key to achieving a fundamental improvement of the financial and economic situation. We should spare no efforts to produce results in this regard. This is a new task for the vast number of cadres and workers on the economic front. It is also a new test for us all.

In the current industrial and communications work, the people's concern, as reflected in their reports, is concentrated mainly on energy and transportation issues. I will make three points: First, the coal, railway and communications ministries should make further efforts in carrying out the production, allocation and shipment of coal. Coal production was not bad in the first 2 months of this year and coal transportation was also good. But the implementation of the allocation plan was rather poor. Earnest measures should be taken to change this situation. Second, all localities should arrange their production in light of the energy supply situation. They should balance their industrial growth rates with the local energy supply; otherwise their goals will fall through. There are at present some localities that set very high targets for themselves and then ask the state to allocate more coal. This cannot be done. Third, energy supply cannot be expected to increase at present. The primary way out is to economize. It is necessary to save energy by every possible means. The energy shortage will not be resolved if we do not work to economize.

II. On the Question of Adhering to the Principle of Giving Highest Priority to the Planned Economy and Taking the Whole Country and the Overall Situation Into Account

Comrade Chen Yun recently made a series of important instructions on economic work. He once again stressed: Our country must adhere to the principle of giving highest priority to the planned economy with market force playing a subsidiary role. In national construction, the whole country and the overall situation must be taken into account. The fundamental policy that "first we must eat, second we must construct" must be implemented. He also pointed out that the first priority task of the special economic zones is to seriously sum up experiences These instructions all concern the major questions of principles and policies in economic construction and were put forward in light of the questions existing in our present economic life. They are of great immediate importance. They are in keeping with our economic policy of the recent years that calls for opening up our country externally and enlivening our economy internally.

Since the 3d Plenary Session of the 11th CCP Central Committee, under the unified leadership of the state and the guidance of state planning, we have enforced the policy of opening up our country externally and enlivening our economy internally. Our orientation is correct and our achievements are the main aspect. Without these reforms, we would not have the good situation we have today. This we must first affirm. However, in implementing the policy of opening up our country externally and enlivening the economy internally, we must be sober-minded and adhere to the aforementioned several principles put forward by Comrade Chen Yun, which are also the fundamental principles and policies our party has upheld for years. They must not be forsaken or be weakened. At present, while keeping sight of our achievements in opening up our country and enlivening our economy we must also be soberly aware that our opening up and enlivening will inevitably bring a number of problems. In this regard, we should have the courage to use the current favorable international and domestic conditions and continue to uphold the policy of opening up our country externally and enlivening our economy internally in order to promote our economic development. We must not waver over the established correct policy. At the same time, we must adequately recognize the problems brought about by this policy. We must not turn a blind eye to them or leave them alone. Today in stressing the need for giving highest priority to the planned economy and taking the whole country and the overall situation into account, our purpose is precisely to keep us sober-minded so that we can adopt measures to prevent the emergence of problems or resolve them if they have already emerged; to correctly and soundly implement the policy of opening up our country externally and enlivening our economy internally; to strengthen the position of planned economy; and to create conditions for further reforming our economic structure.

The purpose of our open-door policy is to introduce into our country foreign advanced technology and administrative knowledge as well as capital, which is useful to us in spurring our country's socialist construction. Because of the open-door policy, certain bad influences from capitalist countries will inevitably find their way into our country. Smuggling, peddling smuggled goods, speculation, swindling, corruption and accepting bribes have become rampant in certain localities and units; the capitalist living style and decadent ideology will corrode our party; certain weak-willed cadres will succumb to "sugar-coated bullets"; and our party members' work style and the people's habits may be contaminated. Our party, on several occasions in the past, when it carried out important new policies and faced new historical turning points, raised the issue that it was necessary to guard against capitalist inroads. One example was during KMT-CCP cooperation at the initial period of the war to resist Japanese aggression. The main problem needing to be resolved in those days was to combat factionalism and closed-doorism and open a new situation for the united front. At the same time, the party Central Committee explicitly pointed out that the CCP must maintain its ideological, political and organizational independence, adhere to the stand of acting independently and, keeping the initiative in our own hands, guard against problems generating from within our party. We did a very good job at that time. We took advantage of the favorable situation and, greatly expanding our strength, created a new situation. Instead of being corroded, our party become stronger. The second example was after victory in the liberation war. After acquiring national political power, our party members entered the cities from the rural areas and faced a dazzling world of humanity with its myriad temptations. In those days, the party Central Committee and Comrade Mao Zedong quickly reminded the whole party that it was necessary to guard against the attack of "sugar-coated bullets." Later, movements against the three and five evils were carried out. In those days, our party's political, ideological and organizational situation was very sound and we withstood the test.

Now we are taking advantage of the favorable international and domestic situation and are carrying out the policy of opening our doors to foreign countries and enlivening the economy at home, and we are facing another rigorous test. This time our party is confronting a much greater and more serious influence from decadent capitalist ideology at home and abroad, particularly the influence of international capitalism, than on the previous two occasions. Moreover, after a decade of turmoil, our party's fine traditions and work style have been impaired. Therefore, during this new historical period, it is all the more necessary to quickly alert all party members to the questions of capitalist inroads. By sounding this alarm we hope we can help our party members come to their senses, heighten their spirit and strengthen their will to withstand the test.

Today, smuggling, peddling smuggled goods, speculation, swindling, corruption, accepting bribes and other crimes in the economic sphere are much more serious than during the movements to oppose the three and five evils in 1952. The inroads of such crimes on our party organizations and cadres' contingents and their pernicious influence on the entire society are quite serious. This situation, if not struggled against immediately with determination, will develop from bad to worse in certain localities and will be unstoppable in 2 or 3 years. This is a prominent expression of the inroads of capitalist ideology under the new historical conditions--conditions of externally carrying out an open-door policy and internally enlivening the economy--and our struggle against all sorts of crimes in the economic sphere, is an important part in our allout struggle against capitalist inroads. This struggle is inevitable and is a protracted one. Just as Comrade Hu Yaobang pointed out: This is an extremely vital issue, which has an important bearing on our party's survival and on our country's prosperity or decline.

We must be fully aware of the seriousness, harmful effects and danger of the various crimes in the economic sphere and raise our consciousness of waging this struggle properly. If we fail to resolutely and powerfully strike at such crimes as smuggling, peddling smuggled goods, speculation, swindling, corruption and accepting bribes, not only will our building of a material civilization be seriously undermined, the building of a spiritual civilization will simply fail. Now the activities of rebuffing economic crimes are going on simultaneously with the "courtesy month" activities and the masses have acclaimed these activities and said our country is hopeful. All units on the economic front must resolutely carry out this struggle through to the end. By no means should they act perfunctorily or superficially. Of course, when we carry out this struggle we will not resort to the method of handling legal cases and exert special efforts to deal with major cases. This struggle will be carried out along with the overall reorganization of our enterprises and the general examination of financial affairs. We must, through reorganization and examination, find the clues, strengthen investigation, and track down and seriously handle the problems so as to strike at the criminals and educate our cadres. At the same time, we must establish and improve various rules and regulations and plug loopholes so that the criminals will not be able to avail themselves of them. Doing this will spur our efforts to improve management, economic accounting and economic results.

Another conspicuous problem is the recent growth of the trend toward departmentalism, decentralism and liberalism in the economic sphere. This is another major problem which has cropped up under the new historical conditions. We have domestically implemented the policy of activating our economy, delegated some powers to the local authorities and enlarged the enterprises' decisionmaking powers for the purposes of whipping up the enthusiasm of the local authorities, the various departments and enterprises and the masses, turning human talents and land and other material resources to good account and vigorously developing China's national economy. Efforts to expand decisionmaking powers and activate the economy are also apt to foster the trend toward departmentalism, decentralism and liberalism, to weaken and depart from the state's unified plan, to interfere with and break up the unified market of socialism and to affect our efforts to take the whole country and the overall situation into consideration. Instead of surveying and dealing with problems on the basis of the overall interests of the state, some localities and units take into account the local as well as their own interests. In dealing with the higher level, they disobey the unified plans of the state and seek private gain at public expense. In dealing with the units and other localities concerned, they shift their troubles onto others and harm others to benefit themselves. In conducting foreign trade, they refuse to implement the policy of unifying as one and joining efforts to deal with foreign countries, and jostle against each other. As a result, the foreign countries reap the benefits. There are presently still many signs of people carrying out construction and production blindly in disregard of the needs in society as well as the overall and long-term interests of the state. In some localities, the tasks for state monopoly and compulsory purchase have been shirked. Economic blockade between one district and another is fairly serious. There are many examples in this respect. Ours is a unified socialist nation. We must have a unified plan and unified domestic market. We must not allow one market for one province. If this practice is permitted, its political and economic consequences to our nation will be unimaginable. Also, for example, in the field of foreign trade, there is evidence of various districts, departments and enterprises vying with each other in cutting prices and counteracting each other's efforts. This has caused considerable damage already. The result is that by counteracting each other's efforts, the local authorities and enterprises reap some small benefits while the state suffers a great deal.

In order to strengthen centralization and unification in economic work, we must adhere to the overall plan on major issues while allowing freedom on minor issues. We must advocate centralism on major issues while allowing decentralism on minor issues. We must also correctly handle the relations between the practice of taking the whole country and the overall situation into account and the practice of whipping up local enthusiasm. The state must interfere with these erroneous practices and issue orders to eliminate them. It must not allow each one to pursue his own course.

1. In foreign trade, we must adhere to the policy of unifying as one and joining our efforts in dealing with foreign countries. After expanding the powers of the local authorities and various departments in conducting foreign trade, we must resolutely adopt effective measures to eliminate the

erroneous practice of vying with each other in dealing with foreign countries and in cutting prices. In foreign trade, it is necessary to appropriately expand the powers of the local authorities. However, at the same time, we must thoroughly solve the problem of selling products of the same category abroad in a unified manner. With a main port as a center, we must form a joint administration in exporting products of the same category in order to strengthen our coordination and management. After the powers in foreign trade are expanded according to district, the nine coastal provinces and municipalities in particular must exert still greater efforts in strengthening their unity in selling the products of the same category abroad, and thoroughly prevent each of them from forming an individual system in foreign trade so as to avoid disrupting their traditional and historical relations in coordination. The departments concerned must formulate necessary measures to strengthen coordination and unity with the support of central cities and main ports.

2. The products to be transferred according to state plans, including farm and sideline products, must be transferred strictly according to such plans. No one is allowed to retain them for his own use or to utilize them as a means of cooperation with others or to sell them at a negotiated price.

3. We must resolutely correct the practice of enforcing economic blockade between one district and another. Except for those to be allotted or delivered according to state plans, all products which have met the standards set by the state and those products produced in accordance with state plans are permitted to be marketed throughout the country. The enterprises are authorized to select and purchase the products themselves. The party and government organs in various localities must not interfere with the enterprises. If they do, the enterprises have the right to resist such interference.

It is necessary to care for old base areas, the regions inhabited by minority people and remote areas. It is necessary to provide technology and equipment to help these areas turn out products suited for local production and achieve even greater economic development.

4. The commodity price and revenue system must be centralized and unified. Without the approval of the State Council, no locality, department or unit is allowed to change a tariff rate or reduce or increase taxes. Without the approval of the State Council, the price of any product within the limits of state commodity price control must not be increased or decreased.

Comrade Chen Yun said: The task of top priority in the special economic zones at present is to summarize experience. I think the question of earnestly summarizing experience not only prevails in the special economic zones or in the two provinces of Guangdong and Fujian, but also in the whole country. All these reforms aimed at activating the economy at home and those within the foreign trade system must be reviewed and summarized to help us remain sober-minded and thoroughly solve the problems which have cropped up so that the reforms within the economic system will be healthily and extensively developed. For example, we must advocate the expansion of the enterprises' decisionmaking powers and the implementation of the economic responsibility system. However, we are indeed faced with the question of how to divide profits. We must carefully study how to take into account the interests of the state, the collective and the individuals simultaneously and to determine the share belonging to the state, to the enterprises and to the individuals as well as the most appropriate form of distribution. After the expansion of the enterprises' decisionmaking powers, we must also strengthen the management and supervision over such enterprises accordingly. To let the local authorities adequately share some powers is necessary. However, we must study how to avoid setting up economic blockades between one locality and other, and keep from following the trends of departmentalism and decentralism that may possibly prevail and how to prevent such trends from affecting the necessary practice of centralism and unification in China's economic work and to keep them from influencing the country as a whole. On the one hand, the foreign trade departments must pay attention to bringing into full play the enthusiasm of the units at all levels. On the other hand, they must also prevent themselves from competing against and undermining each other in front of foreign businessmen. In this respect, we must also earnestly sum up our experience. In short, the open-door policy in foreign trade and the policy of enlivening the economy domestically will not change, and the orientation for carrying out reforms remains firm. However, we must pay full attention to existing problems and sum up our experience and lessons. We are doing this precisely because we seek to do a still better job in enforcing reforms from now on.

The tentative plan for reform is:

1. The economic policies that have been put into practice generally will not be changed this year in order to maintain their stability and continuity. As far as the policy on economic results is concerned, the practice and level prescribed by the government last year should be generally maintained in terms of economic relationships between the state and the enterprise, and between the state and the enterprise on the one hand, and the individual on the other. However, extreme irrationalities in some individual units should be appropriately readjusted.

2. This year we should also consider what is to be done next year. By summarizing our experiences, we should put forward our views on how to complement, perfect or readjust the implemented policies and measures for next year. There appear to be three situations in this regard, one being that in which policies and measures which are effective and correct in orientation should be upheld. Another situation is that in which some policies and measures are correct in orientation but have side effects. These policies and measures should be continuously carried out if such effects can be eliminated by strengthening management. In this case, it is necessary to strengthen management in order to consolidate and improve the policies and measures. Some policies and measures are basically correct in orientation, but their side effects cannot be eliminated for a fairly long time because management cannot keep up with the situation. In this case, an appropriate readjustment should be made. The third situation is one in which

improper policies and measures should be corrected next year. No matter what reform is to be carried out, the general guideline is to combine the strengthening of centralization and unification with the activation of the economy and to bring into full play the initiative of localities, departments, enterprises and people under the guidance of state planning and the principle of taking the whole country into account.

3. It is necessary to work out as soon as possible an overall plan for reforming the economic system so that we shall have a long-term plan for reform.

III. On the Question of All-Round Consolidation and Readjustment of Enterprises

Efforts must be made to consolidate enterprises in order to achieve better economic results. Otherwise, there would be no foundation for all other work. The party Central Committee and the State Council have clearly defined the purpose and requirements of enterprise consolidation and have laid down explicit principles and policies in this regard. Now I will particularly discuss the following several points:

1. The first group of enterprises selected for consolidation this year should be big- and medium-sized key enterprises with more problems and a great potential and which urgently need to be consolidated. Many in this group should not be good enterprises; enterprises with more problems should be consolidated first. When these enterprises are consolidated well, their results will be raised quickly. Some enterprises that have a strong leading body and have done basic work well may carry out their consolidation by themselves or may be consolidated later. In this spirit, the lists of enterprises selected for consolidation in various localities should be adjusted.

2. Special attention should be paid to staffing enterprise leading bodies and reforming the leadership system. Judging from the streamlining of the State Council, the readjustment and strengthening of enterprise leading bodies can be carried out at a faster pace and they can become compact and efficient leading bodies. When the central administrative structure is streamlined, it will give a tremendous stimulus to enterprises in this regard. Enterprises have many qualified cadres and technicians in their thirties or forties who are well versed in their fields of work and who have both ability and political integrity. A number of them should be selected and promoted to positions in leading bodies so that great progress can be made in having leading bodies consist of revolutionary, well-educated, professionally competent and young cadres. In this way, it will be possible to bring about a noticeable change in this regard. To achieve this purpose, there should be an age limit in selecting and appointing managers and assistant managers of enterprises and directors and deputy directors of factories during the consolidation. Except for such exceptionally big enterprises as the Anshan Iron and Steel Company and such national corporations as the China Shipping Corporation, it is necessary to select as far as possible personnel below age 50 and no older than 55 for managers, assistant

managers, factory directors and deputy directors. Party committee secretaries and responsible persons of workers congresses may be a little older but not too old. Some comrades in enterprises who have not reached the retirement age and are still physically fit may go to the second line to serve as staff officers or advisers to do counseling work. Some comrades have suggested that personnel with an educational level equivalent to that of a college graduate and with practical experiences be selected for directors of big key enterprises. This is a good suggestion. If it is difficult for some enterprises to select personnel with the educational level equal to that of a college graduate for their directors, they should at least select persons who have the educational level of a polytechnical school graduate or those who have become qualified through self-study to be their directors. Only by properly staffing enterprise leading bodies during the consolidation will it be possible to bring about a big change in the outlook of the enterprises.

3. It is imperative to staff various units according to their fixed number of personnel and to train workers and staff members in rotation. After streamlining the administrative structure, a large number of cadres of central organs should be organized for study and training in rotation. This is a matter of strategic significance. During the enterprise consolidation, coupled with the institution of the economic responsibility system, it is necessary to be determined to get the surplus workers and staff members out for study and to persevere in doing so. Then, there will be a change in the educational level of all workers and staff members after a few years. If the surplus personnel should be allowed to remain in workshops and sections and on shifts, many malpractices will occur. This situation must be corrected. People in all localities should work hard in order to gain experiences in this regard.

4. We must strengthen leadership in a conscientious way. Party committees and governments at all levels must place the overall reorganizations of enterprises on their agenda and leading comrades themselves should take charge of this task. Economic commissions at all levels as well as all industrial and communications ministries, departments and bureaus must carry out this task in a practical way, and those teams assigned to work at selected units must carry out their assignments in earnest. The central authorities have decided that the organizational reform will not be initiated in provinces, municipalities and autonomous regions this year so that energies can be concentrated on enterprise reorganization and other tasks. All ministries under the State Council must assign someone to be especially in charge of this task and changes in the organs should not interfere with this task. All ministries concerned are requested to immediately hold meetings to study this task, work out plans and send out teams to work at selected units. The State Economic Commission is to be responsible for inspecting and supervising this task. We must carry out the task of reorganization in a down-to-earth manner for 2 or 3 years, promote all fundamental work at enterprises to meet the demands set by the central authorities, and greatly enhance their economic results so that there will emerge an entirely new look at the enterprises.

In connection with the enterprise reorganization, there is another problem, namely, readjustment of enterprises. Those industrial enterprises that turn out products not meeting social demands, that consume too much energy or that have long operated at a loss should be shut down, and have their operations suspended; they should be amalgamated or switched to the manufacture of other products and the practice of blindly setting up new industrial enterprises should be stopped. This is a positive measure taken to enhance the overall economic results of the society and to make the lineup of enterprises as well as the geographical distribution of industries become rational. Taking into consideration that enterprise reorganization has to be carried out as a major task, that cases of violations in economic fields have to be handled and that the reform of organs has to be promoted this year, we should be aware that a lot of work has to be done this year. In this connection, enterprise readjustment can be carried out only within a certain limit in 1982. Among those enterprises that have to be closed down or have their operations suspended first are metallurgical plants and chemical plants consuming much energy, machine-building plants and electronics plants turning out products of very poor quality, oil refineries achieving very poor economic results and some industrial enterprises run by communes or production brigades that contend with advanced enterprises for the supply of raw materials, fuel and power. Efforts should also be made to arrange their problems in order of importance and urgency, and to work out plans for enterprise readjustment as well as practical measures to deal with those enterprises that have to be closed down or have their operations suspended so as to be well prepared for promoting this task in a planned way next year.

At the same time, we must also pay attention to the promotion of major technological reforms at enterprises in a planned way. During the current period of economic readjustment, many machine-building plants are seriously in need of tasks to achieve while over 20 million dun of rolled steel is stocked in warehouses and the contingent of capital construction teams does not have much work to do while wages have to be paid and management expenditures have to be spent. On the other hand, plant facilities have become out of date and some of them have to be replaced with new ones. Can't we think of some way to "make a start" somewhere and activate work in various fields? We must consider the possibility of banks issuing loans to machine-building plants in the form of credit loans to sellers, of alloting rolled steel to these plants for the manufacture of new highly efficient equipment and of selling the equipment to those enterprises that need it to replace old equipment that is low in efficiency but high in energy consumption. It will not cost too much to carry out this task, for in promoting technological reforms, funds spent on equipment account for about 85 percent of the total investment under general circumstances. Some civil engineering projects have also to be completed. Since these projects will not need much funding, preparations for such projects can be made by either local units or enterprises themselves. Once this measure is taken, overstocked rolled steel will have an outlet, machine-building industry will be reactivated, the amount of waste iron and steel that can be supplied for remelting in furnaces will be increased, metallurgical industry will be given an impetus, tax revenues for the state will be increased and a new outlook will be brought about to the technology and equipment at various plants. This was tried out at the No 2 motor works with good results last year. We must make a start in technological reform and renewal of facilities this year. In promoting the technological reform centering on energy conservation, we must, first of all, reform technology in turning out several major products, including boilers, motor vehicles, transformers, water pumps and fanning machines [feng ji 7364 2623] as well as a number of basic parts for machines. We must do a good job in promoting technological reforms at such large enterprises as the Anshan Iron and Steel Company and the Nanjing Chemical Industrial Company, acquire some experience in this concern and then popularize their experiences.

IV. On the Question of Finance

The readjustment work was carried out conscientiously in 1981 by implementing the guidelines of the central work conference held in December 1980. As a result, the financial situation in 1981 was better than expected. Revenues totaled 102.8 percent of the annual plans. There was a deficit of less than 2.7 billion yuan, the figure mentioned in the report to the Fourth Session of the Fifth National People's Congress. However, we are still confronted with considerably great difficulties in finance. As stated in the 1982 state budgets, we anticipate the expenditures to exceed revenues by 3 billion yuan this year. Therefore, while noting the excellent situation we must also anticipate latent dangers in financial work this year. If we fail to achieve a balance between financial revenues and expenditures in the main, the deficit will increase and it will lead to issuance of more currency. This will affect not only the basic stability of commodity prices at markets but also the situation of stability and unity.

The general guideline for this year is to consolidate and stabilize the economic achievements and march forward steadily on this basis. Whatever happens, we cannot lower our guard after having initially stabilized the economy and thus aggravate the latent danger again. To this end, the Central Committee and the State Council have asked for efforts to further implement the policy of readjustment, restructuring, reorganization and upgrading and to continuously maintain a basic balance of revenues and expenditures and of credit receipts and payments together with a basic stability of commodity prices. This is not only an economic question but also a political one.

Fundamentally speaking, to resolve a financial question, it is necessary to develop production in earnest, improve economic results and do a good job in increasing revenues and cutting expenditures. Besides continuously and energetically developing the production of consumer goods as planned, changing the service orientation of heavy industry and conscientiously reorganizing enterprises, efforts should be made to grasp the following well:

1. The purchase price of agricultural and sideline products should be stabilized. The financial burden has become very heavy as more money is put into circulation and many different kinds of subsidies are offered. In 1981 the state gave subsidies of 32 billion yuan for more than 30 kinds of

commodities, of which over 80 percent had something to do with the prices of agricultural and sideline products. Although agricultural and sideline product prices have increased very little in the past 2 years, the proportion of increased and negotiated prices is growing bigger and bigger and the actual purchase price for agricultural and sideline products is still rising steadily. Generally speaking, to solve this question we must have a stable policy and readjust measures that exceed the limit of policy and those that are drastically irrational. We must refer to the method used by Zhejiang and other places of fixing the basic figures for planned purchase and apportioned purchase of agricultural and sideline products by the state; places that had abandoned this method should restore it. By now, 3 years have passed for some new producing areas; next year they should think about fixing a rational purchasing task or the purchase proportion. The increased and negotiated prices for purchase exceeding the planned quota should also be readjusted and controlled.

2. The granting of bonuses should be controlled. In general they should be stabilized at last year's level within the scope of provinces, municipalities and autonomous regions this year with emphasis on doing away with egalitarianism in bonus-granting and on distribution according to work so as to make the bonuses work effectively. Indiscriminate granting of bonuses should be firmly corrected.

3. Efforts should be made to tighten financial discipline, intensify supervision and inspection and plug loopholes. At present, many enterprises have indiscriminately assigned production cost, evaded tax and rationed profits which ought to be delivered to the state. All this has reached a fairly serious degree. We must pay attention to this and solve it. The financial inspection carried out early this year which achieved good results should be continued. Problems once discovered should be dealt with expeditiously; we should not turn big problems into small ones and small problems into no problem at all.

4. Investment in capital construction must be controlled. While there is no possible major breakthrough in capital construction, an expenditure item under plan, the amount of funds raised on one's own, the funds the enterprises themselves have and the fixed capital investments made with bank loans have grown into a considerably large sum. There are many problems in this also. Various provinces, municipalities and autonomous regions should check on them. For those projects that should go on, we should study how to put the funds to good use. Another problem is that some places have set up their own investment trust companies taking away bank deposits to do construction. To summarize, the amount of money available is limited and establishing an investment trust company here would mean reducing bank deposits there. This in fact amounts to diverting a part of the credit originally being used as current capital to capital construction, thus extending the capital construction line and hampering the improvement of economic results. I now reiterate that with the exception of those investment trust companies approved by the State Council or designated departments concerned, all other investment trust companies should be turned over to the banks. The job of raising and using funds should be handled exclusively by the banks and should not be done independently without them.

In short, our entire economic situation has come out of the "bottom of the pot," but the latent danger has not yet been basically eliminated. We rather assess the problem more seriously; we should never lower our guard or become unrealistically optimistic.

V. On the Question of Intensifying Ideopolitical Work

Under the new situation, ideopolitical work should not be weakened but intensified. Over the years, our political organs have been busy launching mass movements but they still lack an integrated set of experiences in doing ideopolitical work well in the economic sphere. We should make an effort to study and summarize experience in this area. Ideopolitical work should be based on the demands of the four modernizations and integrated with economic work and with the state of the mind of workers and staff in order to have a definite object in view to truly solve problems. In discussing how to intensify ideopolitical work, this conference has introduced the Daqing oilfield's experience of strengthening the building of contingents of workers and staff and the experience of the Tianjin caustic soda plant in carrying out education on the love of the party, the motherland and socialism through studying history and Chinese modern history. All this is more vivid, more realistic and convincing. We must, through meticulous and careful ideopolitical work, make the fundamental guiding principles of taking equal consideration of the interests of the state, the collectives and individuals and of "first, the people must have sufficient food; second, socialist construction must be carried out," take root in the minds of workers and staff and in work implementation as well.

Since the 3d Plenary Session of the 11th CCP Central Committee, the party and government have made maximum efforts in improving the people's livelihood in the rural areas and cities and the great majority of the masses are satisfied. The state of mind of the people in the cities at present is stable and upward looking on the whole. It should also be noted that a small number of people in the cities are still not too satisfied and are grumbling. Among them there are also elements with ulterior motives who desire to stir up trouble. It seems that there is a necessity for choosing a suitable time this year to universally carry out a vivid education on the economic situation. We should, through this education, reckon an overall account with the urban people and let the broad masses understand under what conditions the state solved the question of the people's livelihood since the downfall of the "gang of four," especially in the past several years since the third plenary session. The account would cover the increase in commodity prices, people's income, state subsidies to the urban people, employment, in the total amount of wages and bonuses, in housing for workers and staff, in the sale of durable consumer goods, and in urban savings deposits. All accounts should be brought into the open. The country has an account book. In the 3 years from 1979 to 1981, jobs were found for 26 million jobless young people who returned to the cities and towns; housing covering 220 million square meters in floorspace was newly completed for workers, staff and the people in the cities. The state increased subsidies of the selling price of agricultural and sideline products annually to more than 20 billion yuan. The total amount of wages for workers and staff in 1981 was 25.1 billion yuan greater than in 1978 or an increase of 44 percent; the average annual wages of workers and staff increased from 614 yuan in 1978 to 772 yuan in 1981 or an increase of 25.7 percent and so forth. Every city, every enterprise and every unit has such an account book and we should speak up with facts and figures. We must also make clear the existing problems in the spirit of seeking truth from facts. For example, for some party and government cadres, personnel engaged in scientific research, teachers and workers and staff of collective enterprises, their actual income has not been raised much and has even dropped. We should let the masses voice their opinion openly so as to help us carry out education about this situation and improve our work. Judging from results of education conducted in Shanghai, Liaoning and Xuzhou, in so doing, most of the people have come to know the truth and eliminate misunderstanding; they have realized that the party and the state have indeed made utmost efforts in the interests of the people. By reckoning accounts, workers and staff of the Shanghai No 2 weaving plant who used to grumble about their livelihood problems have become even-tempered and good-humored and vigorous in work. A party branch secretary of the Ningbo municipal clothing embroidery factory made some most profound and objective remarks. She said: According to the workers, over the past several years, they have found: 1) they have more money in their pockets; 2) commodity prices have also risen; 3) they still have more money in their pocket after carefully figuring out income and expenditures; 4) the young people have higher demands. The masses of workers are very reasonable. So long as we earnestly carry out education on the economic situation, a healthy atmosphere will prevail more promisingly and there will be no room for rumors and slanders.

We should, through education on the economic situation, further lead the people to fully understand our national conditions and to foster the idea of building our country through thrift and hard work and of arduous struggle. Ours is a developing socialist country with a huge population, a weak foundation and a very burdensome construction task in all fields. Livelihood improvement can only be materialized gradually with the development of production. It is therefore wrong and unachievable to put forth impractical and excessive demands. As to livelihood problems, we should not simply compare with the developed capitalist countries, nor should we compare with those oil-rich countries or certain countries and regions which have become prosperous by relying on processing. We have to go through a protracted hard struggle in order to build our great motherland into a more prosperous and strong country and to make all our people "comparatively well-off" for a more prosperous life later. This requires us to earnestly implement the principle of "first, the people must have sufficient food; second, socialist construction must be carried out." The people's livelihood needs to be improved gradually, but there is also a problem of doing things according to one's own capability. We still have to allocate some funds, goods and materials for construction and for continuously enlarging reproduction in order to advance toward the four modernizations. This is where the fundamental interests of the people of the whole country lie. A prosperous life will never become a reality if we only strive for enjoyment of life and divide up and eat up everything instead of carrying out construction. We must, through education, make the people correctly understand and handle well the relations between construction and livelihood and between accumulation and consumption and integrate the immediate with long-term interests.

We are deeply convinced that by striking at lawbreaking and criminal activities in the economic sphere and promoting the building of spiritual civilization together with education on the economic situation this year, the people's spirit will be greatly enhanced and the social mood will take a turn for the better.

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BE A CLEAR-HEADED, STAUNCH AND PROMISING MARXIST

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[Article by Editorial Department]

[Text] We are going through a historical stage of great changes and development, from chaos to order and from poverty to abundance. The task of the party during this stage is to lead our 1 billion people to gradually build up the country into a modernized, highly democratic and highly civilized socialist power. Faced with this new situation and new task, party members and cadres, especially high- and middle-level leading cadres, must strive to become clear-headed, staunch and promising Marxists.

In order to be staunch and promising, one must first of all be clear-headed. As a Marxist, in order to be clear-headed, the most fundamental question is to have a farsighted and comprehensive view and accurate analysis and assessment of the present situation.

In the more than 5 years since the smashing of the "gang of four," especially since the 3d Plenary Session of the 11th CCP Central Committee, our party has reestablished the Marxist ideological, political and organizational line; formulated a series of principles and policies for socialist modernization that are suited to our country's national conditions; adopted many effective measures to improve the party's work style, enforce party discipline and restore the party's fine traditions; completed the task of bringing order out of chaos in guiding ideology; and made tremendous achievements in practical work. Our party and country have thus passed through the crisis caused by the decade of disorder of the "Great Cultural Revolution" and embarked again on the road to prosperity. This is the mainstream of the present situation and is a basic fact that no one can write off. If we take a wavering attitude or have doubts in this assessment of the present situation or if we take the nonessentials of the present situation for the essentials, we will commit grave mistakes. Does this mean, however, that other than war, there are no major dangers to our party, our country and our socialist cause and that we can sit back and relax? Of course not. Dangers exist even in time of peace.

Lawbreaking criminal activities in the economic field are now much more widespread than they were during the movements against the "three antis and the five antis" 30 years ago. Corrupted by capitalist ideas, some party members and cadres and even party organizations have degenerated. Of course, this phenomenon is only relatively more outstanding in a small number of localities and among a small number of cadres. It is only a countercurrent in the constant advancement of our party and country. If the whole party unifies its understanding and action and is united in waging an unremitting struggle, this countercurrent will certainly be overcome. However, if the whole party does not pay sufficient attention to this countercurrent and does not wage a resolute struggle against it, this countercurrent will undoubtedly exert a serious corrosive influence on the ranks of our party, undermine our social values and destroy the cause of socialist modernization. This clearly shows that other than war, there are dangers that will cause the decline of our party and country. We must have a clear-headed understanding of this important question which concerns the future and destiny of the party and country.

What do these dangers stem from? It goes without saying that we must maintain vigilance against the aggression and subversion of imperialists and social imperialists. Neither must we lower our guard against the activities of the remnants of the counterrevolutionary cliques headed by Lin Biao and Jiang Qing. But we should be even more aware that fortresses are most vulnerable to attacks from within. Our party is the vanguard of the working class. As long as the body of our party is healthy, maintains the purity of communism and is always linked with the people, no enemy forces will be able to defeat it. In this sense, the main danger lies within the party itself and in the possible moral degeneration of wavering members.

As to the party itself, the key is held by its high- and middle-level leaders, its principal leading cadres. In the article "The Role of the Chinese Communist Party in the National War" written in 1938, Comrade Mao Zedong said, "So far as shouldering the main responsibility of leadership is concerned, our party's fighting capacity will be much greater and our task of defeating Japanese imperialism will be more quickly accomplished if there are 100 or 200 comrades with a grasp of Marxism-Leninism which is systematic and not fragmentary, genuine and not hollow." This passage correctly and clearly states the position and role of leading cadres with a good grasp of Marxism in the revolutionary cause. In leading a population of 1 billion people toward socialist modernization, our party now needs 10,000 or 20,000 such Marxists instead of 100 or 200. If our leading cadres at high and middle levels are clear-headed Marxists, are staunch Marxists and are promising Marxists, the party will be built better and its fighting capacity will be greatly increased. Thus, our party will be able to correct all mistakes and overcome the phenomenon of corruption.

At present, we are faced with a fierce struggle between the corrosive influence of capitalist ideas and the resistance of socialist ideas to this influence. Viewed from what has already been exposed, a relatively serious tendency of bourgeois liberalization has emerged in many areas of China's social life. Decadent capitalist ideas and ways of life have exerted a rather serious corrosive influence on the ranks of the Communist Party and are rather seriously poisoning the general mood of society. Indeed, many party members and cadres have been roped in within a very short period. Some old cadres who were not conquered by the enemy's force of arms or the suppression of the Lin Biao and Jiang Qing counterrevolutionary cliques have been conquered by the bourgeois "sugar-coated bullets" in the past few years and have become captives of the bourgeoisie. That capitalist ideas have intruded into the militant Communist Party is a fact that brooks no neglect. Facts have clearly shown that bourgeois liberalization is not just a question of the cultural and ideological fronts but is a common question facing all fronts. On the economic front, phenomena such as smuggling, selling contraband, offering and accepting bribes, corruption, theft, speculation, swindling and appropriating large quantities of state property are not isolated or accidental occurrences. They are outstanding expressions of bourgeois liberalization under new historical conditions, that is, at a time when an open-door policy and a policy to enliven the domestic economy are being implemented. They are also an important manifestation of class struggle under socialist conditions. These facts have proved that under the new historical conditions, if we do not strengthen ideological and political work, do not establish and perfect corresponding management systems, do not adopt effective management measures and do not wage a struggle to resist the corrosive influence of capitalist ideas, we will not be able to smoothly carry out modernization. In the face of the serious corrosive influence of decadent capitalist ideas and ways of life, we must have the understanding that the present struggle against the corrosive influence of capitalist ideas and bourgeois liberalization, including the struggle to hit out at crimes in the economic field, is a protracted struggle that concerns the success or failure of China's socialist modernization and the prosperity or decline of the Communist Party and the country. The whole party must attach great importance to this struggle.

However, we must not forget historical experiences and lessons. Although the question of corrosive influence of capitalist ideas and bourgeois liberalization is rather outstanding at present, it is not after all the principal contradiction in our country. The principal contradiction in China is the contradiction between the people's growing material and cultural needs and the backward social production. This contradiction must be resolved by means of socialist modernization. The political line formulated at the 3d Plenary Session of the 11th CCP Central Committee is precisely to unite the people of all nationalities throughout the country to gradually build our country into a modernized, highly democratic and highly civilized socialist power. This is a Marxist line. It reflects the common desire and demand of the people of all nationalities throughout the country and represents the greatest interests of the masses of people. We must resolutely implement this line. The reason why we wage the struggle against the corrosive influence of capitalist ideas and bourgeois liberalization is also precisely to promote a fundamental change for the better of the party's work style, the people's practices and social order, to eliminate all interferences and obstacles in implementing the party's political line and to ensure smooth progress in our efforts to achieve socialist modernization. Therefore, if we want to be staunch Marxists, we must first firmly adhere to the line. We must not obscure the orientation of our advancement, must not shift the focus of our work and must not repeat the mistake of "taking class struggle as the key link." For over 20 years after the socialist transformation of the private ownership of the means of production had basically been completed, we did not shift the focus of our work to socialist construction. We thus regarded class struggle as the principal contradiction and committed the mistake of magnifying class struggle, causing the country and the people to suffer a lot. We should not do such foolish things again. In his report "The Present Situation and Tasks" given on 16 January 1980, Comrade Deng Xiaoping said: "Starting from the new year of the first year of the 1980's, we must not waste even one single day. We must concentrate all our attention on building the four modernizations." "Unless a large-scale war breaks out, we must be determined to persist on doing this. Everything should center round it and it should not be interfered in any way. Even if a large-scale war breaks out, we must continue to do it or begin our efforts again after the war is over. Our whole party and all the people must set this as the high aim and lofty aspiration. We must grasp it firmly, be more 'stubborn' and not be irresolute." We must always bear these words in mind.

Some people attribute the emergence of capitalist corruption and bourgeois liberalization to the party's open-door policy and the policy to enliven the domestic economy. This is totally wrong. We must make it explicit that such policies are firm and unshakable and introduced in accordance with the needs of our socialist modernization and with the international situation. It is of great strategic significance to implement such policies because our country is a big country which has a vast population, a poor foundation to start with and a relatively backward economy. In order to change this backward situation, we must make breakthroughs and learn the skills to manage the domestic economy and develop economic relations with foreign countries. We must devise a path of socialist construction which suits actual Chinese conditions and must never again take the old road which adopted a closed-door policy toward foreign nations and rigid management of the domestic economy. These correct policies of an open-door policy and policy to enliven the domestic policy will still be enforced even after our economy is developed. We should realize that there are numerous factors accounting for notable criminal activities in the economic field in some areas. For instance, there are still remnants of the ancient society and ideological influences of the exploiting class in our country; the pernicious influence of anarchism and extreme individualism which had been instigated by the Lin Biao and Jiang Qing counterrevolutionary cliques during the 10 years of disorder is far from being eliminated; while implementing the open-door policy and the policy to enliven the domestic economy, we have not been able to keep pace with the ideological and political work and with some necessary systems and measures of management, with the result that the influence of decadent capitalist ideas and the bourgeois way of life has multiplied, and so on. These are very important reasons. How can we attribute the rampancy of illegal and criminal activities in the economic field to the implementation of the open-door policy and the policy to enliven the domestic economy? Our party has drawn a clear demarcation line regarding these policies. The criminal activities in the economic field have nothing to do with these policies. In view of our party's principles, all these evil deeds have always been considered as illegal and are impermissible under party discipline and state law. All practices under the pretexts of being "special and flexible" which distort such policies and which are divorced from the socialist orientation, divorced from the communist stand and are contrary to party spirit and the party's principles, can only sabotage such policies. What we should do now is to sum up past experiences, carry forward the achievements obtained, overcome shortcomings and correctly and healthily implement the policies which have been formulated. We absolutely should not change the policies. Regarding this question, we must not waver in the least extent.

The revolutionary history of our country has shown that both the question of upholding the proletarian stand and maintaining the party's communist purity and the question of taking precautions against and opposing class capitulationism exist whenever we make contact with the bourgeoisie. Chen Duxiu's class capitulationism was manifested during the period of the great revolution. Wang Ming's class capitulationism was manifested in the early years of the war of resistance against Japan. In the early years since the founding of the country, it was perfectly correct and extremely necessary for us to cooperate with the national bourgeoisie. It also proved to be a complete success. However, some of our party members and cadres were hit by the "sugar-coated bullets" of the bourgeoisie despite Comrade Mao Zedong's warnings released on the eve of the liberation to the whole party against the attack of the bourgeoisie's "sugar-coated bullets." We are in a poorer situation at present compared to the situation then. Such circumstances are unavoidable in the new historical era. We must not lose our confidence in the party's policies because of the launching of the anticorruption struggle; similarly, we must not neglect, or slacken our efforts or be afraid to wholeheartedly launch the anticorruption struggle because we want to uphold and implement the party's policies. All our party members and cadres, and particularly the high- and middle-level party cadres, must have a firm proletarian stand, bear in mind the party's fundamental aim of wholeheartedly serving the people, bear in mind the party's ultimate goal of realizing the communist ideals, bear in mind the party members' vocation of maintaining the party's communist purity, and must always guide our actions with the communist ideological system during this struggle.

The present period we are in is a historical period of great significance, and also one in which there is plenty of scope for our talents. We should not be satisfied in being mediocre, decrepit and muddleheaded, but try our best to become useful and promising people. At present, the most important thing for us to do is to combine political steadfastness with scientific foresight, proceed from the higher plane of strategic ideology, shore ourselves us, be bold and resolute in our work, and try our best to create in the next few years a really new situation in various fields of our construction, including the development of our economic relations with foreign countries. In order to fulfill these targets, we must uphold the four basic principles, correctly carry out the line, guiding principles and policies of the party, go deep into the reality of life, strengthen investigations and studies, repeatedly study the new situations and solve new problems. We must master two skills: the skill of managing construction at home and that of developing our economic relations with foreign countries. We must carry out our work in two ways: developing the material civilization and improving the spiritual civilization, while correctly understanding and handling the relationship between the two civilizations. We must carry out reform and readjustment to eliminate the irrationality and shortcomings existing in the production relations and in the superstructure, resolutely carry out the streamlining of administrative organs and reform the cadre system with revolutionary spirit. We must regard opposition to the bourgeois liberalization tendency as an important part of party building and of consolidating political power for a certain period in the future, and attach importance to it. On the other hand, we must unswervingly carry on the struggle to seriously crack down on illegal and criminal activities in the economic field. We must fix our attention on and seriously and speedily handle those severely illegal and criminal activities, such as smuggling and selling contraband, bribery, corruption and theft, speculation and swindling, appropriating state and collective properties, and so on. We must punish those cadres who engage in serious crimes, especially those who are occupying important posts, and should never hesitate in taking actions against them, and not appease or shield them. With this struggle, we not only can resolutely stop unhealthy tendencies in the economic field, but also give the vast number of party members and cadres a profound Marxist education on party character, party work style and party discipline.

If we recall our party's militant course over the last 60-odd years, we can see that our proletarian revolutionaries of the old generation headed by Comrade Mao Zedong and others never failed to put forth to the whole party the task of strengthening studies whenever the revolution arrived at a turning point. Now, as the vast number of party members and cadres are to make themselves clear-headed, staunch and promising Marxists, they have to strengthen their studies in Marxism-Leninism-Mao Zedong Thought. Some articles written by Comrade Mao Zedong during the period of the anti-Japanese war, such as "The Situation and Tasks in the Anti-Japanese War After the Fall of Shanghai and Taiyuan," "Introducing the Communist," "Preface and Postscript to Rural Surveys," and so on are especially worth being reviewed. Although all of them were aimed at the concrete circumstances of the time, and our situation today is quite different from the historical conditions then, the basic standpoint, points of view and methods embodied in these articles remain very educational to us. All of our party members and party cadres, in particular leading cadres at middle and high levels, have to study anew and solidly master Comrade Mao Zedong's theory and tactics of the dual nature of the united front which promoted unification along with struggle. Under all circumstances we must resolutely safeguard our purity as communists, and we are not allowed to lower our ideological understanding and political consciousness as communists. All communists should never be corroded by the bourgeoisie. Under the new historical conditions, we must creatively apply this magnificent thought to developing our economic relations with foreign countries, to carrying out the policy of enlivening the domestic economy and all fields of social life, so as to overcome the tendency of bourgeois liberalization, to resolutely resist and oppose the corrosion of capitalist ideas. Thus, we will be able to stand invincibly and be unremitting in our advance toward winning new victories.

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READJUST THE AGRICULTURAL SECTOR, IMPROVE ECONOMIC RESULTS

Beijing RED FLAG in Chinese No 7, 1 Apr 82 pp 15-19

[Special commentary by Bai Rubing [4101 1172 0393]]

[Text] How to accelerate the development of agricultural production, improve the commodity turnover rate and improve economic results is a problem of strategic importance which should be solved in readjusting the agricultural structure of Shandong Province. Here I would like to discuss some of our methods and theories for readjusting agricultural structure.

I. Rationally Readjust the Overall Crop Pattern Under the Guidance of State Planning

To readjust the agricultural structure, it is first necessary to satisfactorily handle the proportional relations between grain on the one hand and cotton and edible oil on the other hand. Since liberation, Shandong Province's agricultural production has developed considerably. Calculated in terms of 1970 prices, the total agricultural output value increased from 3.28 billion yuan in the early days after the founding of the PRC to 11.35 billion yuan in 1978, an increase of 2.5 times. However, owing to the "leftist" influence, the agricultural structure has been irrational and the economic results of agricultural production have been very poor over a long period of time. In the 22 years between 1956 and 1978, the average per capita income from distribution of the commune members throughout the province increased by only 16.5 yuan, an average annual increase of 0.75 yuan, of which the average per capita income from distribution of one-fourth of the basic accounting units was below 40 yuan. Particularly between 1959 and 1978, the four relatively poor prefectures of Heze, Liaocheng, Dezhou and Huimin consumed 11.07 billion jin of state marketing grain, spent 628 million yuan of relief funds and owed the state 517 million yuan in loans. Thus the problem of providing adequate food and clothing to commune members has remained unsolved for long years.

In the past, one of the important reasons for the poor economic results of our province's agriculture was that the ratio and distribution for grain and industrial crops, such as cotton and peanuts, were irrational. The climate and soil of Shandong Province are relatively suitable for the growth of multifarious crops. Historically it had a tradition of growing grain, cotton, peanuts, soybeans and flue-cured tobacco. While getting a good grip on grain production, vigorously developing such industrial crops as cotton and peanuts is not only the strong point of the province's agriculture but also the needs of the state and the people's livelihood. However, owing to the quite serious one-sidedness in the guiding ideology in our agricultural production, in agriculture, exclusive stress would be put on grain at the expense of industrial crops. Of the 40 million mu of farmland of the four prefectures in northwestern Shandong Province, 10 million mu of farmland is saline-alkali soil. The per mu yield of grain on such soil is 200 or 300 jin, the low yield being no more than 100 jin. If it is sown with cotton and things go well, every mu of such farmland will yield about 100 jin of ginned cotton and the income from it is largely equal to 300 percent of that from sowing grain crops. But, in the past, one-sided emphasis was put on the practice of "taking grain as the key link," the minimum acreage under cotton totaled only over 3.8 million mu, over 5.6 million mu less than the 1956 figure. In Jiaodong and central and southern Shandong Province there are several tens of millions of mu of sandy land which is suitable for growing peanuts. Previously, an area of 9 million mu of land was sown with peanuts. But later the minimum acreage under peanuts was reduced to over 3 million mu. As the result of the failure to bring the strong points into play, this subjective practice ended up with the production avenues becoming narrower and narrower.

Since the 3d Plenary Session of the 11th CCP Central Committee, we have implemented a series of the CCP Central Committee's principles and policies concerning agricultural matters. While enthusiastically introducing various forms of the production responsibility system, in the light of the province's actual conditions, we have readjusted overall crop pattern to ways suitable to local conditions and have achieved remarkable successes. Over the past 3 years, the average annual increase in the total agricultural output value of the province has been 7.3 percent; that in grain, 0.3 percent; that in cotton, 63.3 percent; that in peanuts, 13.9 percent; the yearly increase in the income from the diversified economy has been 22 percent; and that in the income of the commune members from collective distribution, 19 yuan. Thus the income in 1 year equals that of over 20 years. To develop industrial crops, we have adopted the following measures: 1) We have earnestly carried out the state's regulations concerning the readjustment of prices for the agricultural and sideline products and aroused the enthusiasm of the peasants for growing such industrial crops as cotton and peanuts. 2) In 1979, we began practicing "linking the purchase and marketing of grain with that of cotton," ensuring the grain ration for cotton growers, raising the standards for selling chemical fertilizers and grain as rewards to the cotton growers and encouraging the cotton-producing areas to grow more cotton. 3) In the concentrated cotton-producing areas, the principle of "ensuring cotton with grain and promoting grain with cotton" and that of "simultaneously grasping grain and cotton, with the stress on cotton" has been practiced. 4) We have summed up and spread, in real earnest, the typical experiences in effecting the double good harvest of grain and cotton and that of grain and edible oil and popularized such fine varieties as "Lumian No 1." 5) We have appropriately expanded the acreage under such industrial crops as cotton and peanuts, turned a considerable amount of saline-alkali land which is unsuitable for growing grain crops into land sown with cotton and turned portions of hilly areas into land sown with peanuts, and the greater part of the newly reclaimed "three wastelands" (sandy land, farmland running to weeds and alkaline land) have been sown with cotton and peanuts. Over the past 3 years, the acreage under such industrial crops as cotton and peanuts has been expanded by more than 7 million mu. The strong point of the northwestern areas of Shandong Province--cotton--and the strong points of the Liaodong peninsula and the central and southern areas of the province--peanuts, flue-cured tobacco and others have been brought into fuller play. The total output of cotton in 1981 was 13.5 million dan, 10.41 million dan more than the figure in 1978 or an increase of 337 percent and that of peanuts in 1981, 27.78 million dan, 9 million dan more than the 1978 figure or an increase of 47.9 percent. The ratio of the output value of industrial crops all over the province to the total output value of the planting industry increased from 15.7 percent in 1978 to 27.6 percent in last year. The commodity turnover rate of agricultural and sideline products has increased year after year. The commodity turnover rate for grain between 1978 and 1981 increased from 13.6 percent to 14.5 percent; that for cotton, from 87.4 percent to 95 percent; that for peanuts, from 57.3 percent to 60.2 percent; and that for flue-cured tobacco, from 95.7 percent to 97 percent. At present, the needs of the province for cotton, edible oil and tobacco have been ensured and, moreover, cotton, edible oil and tobacco can still be exported to earn funds to support state construction. In the fiscal year 1980, a net amount of 180 million jin of edible oil and of 960,000 dan of flue-cured tobacco was exported, an increase of 80 percent and 27 percent over that in 1978 respectively; and 1.36 million dan of cotton was imported from other provinces in fiscal year 1979, but in fiscal year 1980, 4.95 million dan of cotton was exported and in fiscal year 1981, 7.7 million dan was expected to be exported.

After the expansion of acreage under cotton and oil-bearing crops and the reduction in acreage under grain crops, will grain output fall? This is a question which quite a few comrades worry about. The results of practice show that grain output has increased rather than dropped. Grain, cotton and edible oil have promoted one another. Along with the development of industrial crops, the income of collective, communes and individual commune members has increased by a big margin, thus providing more funds for expanding reproduction and also large amounts for purchasing cottonseed-based fertilizer, peanuts and soybeans. This has played an important role in restoring and developing soil fertility and ensuring an increase in grain production. In the past, the four prefectures in northwestern Shandong Province concentrated on grain alone and, as a result, cotton production was not promoted and grain output was both low and unstable. Over the past few years, acreage under cotton has been expanded in line with specific local conditions and, as a result, cotton output has doubled and redoubled and grain output has also increased satisfactorily. Despite a reduction of nearly 2 million mu of farmland under grain in 1981, grain output registered an increase of 1.65 billion jin and cotton output registered an increase of more than 2.7 million dan over those in 1980. The masses say: "Particular attention has been paid to both gold (grain) and silver (cotton) and life has thus become increasingly more gratifying."

However, the acreage under industrial crops must not be expanded blindly. After the prices for agricultural and sideline products were raised, the peasants vied with one another in growing more industrial crops such as cotton and peanuts. Some concentrated grain-producing areas also reduced the farmland under grain crops and expanded the farmland for growing cotton, peanuts and tobacco and thus emerged the contradiction that industrial crops and grain are vying with each other in competing for farmland. In order to solve this problem, we have paid attention to the following things:
1) Priority must be given to planned economy in agricultural production. Full play must be given to the strong points of every province and locality on the one hand, and agricultural production must subject itself to state plans and the needs of the people's livelihood on the other. We must not indiscriminately grow whatever crops promise more income. Seen from the conditions of the province, the present acreage under industrial crops constitutes 25.63 percent of the total area of cultivated land. The proportions of the acreage under grain, cotton and oil-bearing crops are already largely rational. The acreage under industrial crops must not, in general, be expanded any more on a large scale. Shandong Province has a population of more than 73 million, and the area of farmland sown to grain crops must be kept at a level of over 70 million mu, averaging 1 mu of farmland sown to grain crops per capita. Before there is a breakthrough in agricultural science and technology, without maintaining so much farmland for growing grain crops, it will be difficult to be self-sufficient in grain. 2) Assuming full responsibility for grain purchase, marketing and allocation under a contract has been practiced. In order to ensure the decisionmaking power of the units at lower levels in planting and to enable them to uphold state planning and guidance, we have clearly pointed out that, under the premise of being self-sufficient in grain, the concentrated cotton-producing areas are allowed to go all out to develop cotton production; under the condition of ensuring the fulfillment of grain purchase tasks and ensuring the grain ration of the commune members, the concentrated grain-producing areas are allowed to appropriately develop industrial crops. Assuming full responsibility for grain purchase, marketing and allocation under contracts between the province and prefectures, between the prefectures and counties, and between the counties and communes and their subdivisions has been widely practiced. The contracts will not be changed once they are fixed. 3) It is necessary to reform the cropping system, make farming scientific and intensive, and constantly increase the yield of each unit area. Special stress should be put on doing a good job in intercropping and interplanting grain and cotton and grain and oil-bearing crops and improving the multicrop index. Last year, Wenshang County intercropped and interplanted wheat and cotton on 70,000 mu of farmland, resulting in an average per mu yield of 310 jin of wheat and 130 jin of ginned cotton. Calculated in terms of the acreage under practical cultivation, the per mu yield of wheat was equal to 1,033 jin, an increase of 470 jin compared with the output resulting from the method of single-cropping wheat; the per mu yield of ginned cotton was equal to 185 jin, 57 jin more than the output resulting from the method of single-cropping cotton. The potential for intercropping and interplanting grain, cotton and oil-bearing crops is enormous. In the future attention must be paid to promoting the intercropping and interplanting grain, cotton and oil-bearing crops.

II. Gradually Shift the Focus of Readjustment to the Overall Development of Agriculture, Forestry, Animal Husbandry, Sideline Occupations and Fishery

Grain, cotton and edible oil constitute an important part of agriculture but are far from the whole of agriculture. Only when agriculture, forestry, animal husbandry, sideline occupations and fishery are developed in an overall manner, can agricultural production be put on a foundation of ecological balance, and a benign cycle ensured and reliable conditions created for steady increases in grain, cotton and edible oil production. For a long period of time, we have not had a profound understanding of the dialectical relationships among agriculture, forestry, animal husbandry, sideline occupations and fishery, and more often than not regarded agriculture as the "principal occupation" and forestry, animal husbandry and fishery as "sideline occupations." This one-sided argument has bound us hand and foot and obstructed the development of forestry, animal husbandry and fishery.

Practice has given us an increasingly clear understanding of the fact that forestry and animal husbandry occupy an extremely important position and play a unique role in ensuring a benign cycle in agriculture. Afforestation can conserve headwaters as well as water and soil, prevent wind and fix sand, and regulate climate. Rainfall in areas covered with forest in the province is 15 to 20 percent more than that in areas without forest, and water retention in the former is 20 to 30 percent more than in the latter. After a forest net was established in 95 percent of the farmland of Yanzhou County, wind speed within the forest net was reduced on the average by 38 percent, air humidity increased by 6 percent and annual evaporation decreased by 375 mm. Developed animal husbandry can provide large quantities of organic fertilizers, ameliorate the soil, improve soil fertility, promote planting, and promote fulfillment of the target of "more livestock, more fertilizer and more grain." The high-quality barnyard manure provided annually by Rongcheng County's animal husbandry is equal to 100 million jin of compound chemical fertilizer. According to calculations, 36 percent of the nitrogen content, 56 percent of the phosphorus content and all the potassium content of the soil of this county at present are derived from applied barnyard manure.

Over the past years, we have consistently deepened our understanding of developing forestry, animal husbandry and fishery, adopted some measures and attained relatively satisfactory successes. However, last year's output value of forestry, animal husbandry and fishery amounted to only 14.4 percent of the total agricultural output value, of which the output value of forestry accounted for 1.1 percent; that of animal husbandry, 11.2 percent; and that of fishery, 2.1 percent. This shows that the province's structure of agriculture, forestry, animal husbandry and fishery is still quite irrational. This state of affairs requires that we further emancipate our minds, broaden our horizons, and effect an upswing in the production of forestry, animal husbandry and fishery as quickly as possible while paying close attention to the production of grain, cotton and edible oil.

Shandong Province has quite rich favorable natural conditions and enormous potential for developing forestry, animal husbandry and fishery. Apart from

110 million mu of cultivated land, the province has 56 million mu of barren hill land, beach wasteland and parcels of land scattered around villages, at both roadsides and along riverbanks, lands which are suitable for forestry and animal husbandry and are equal to half of the area of the existing cultivated land. The province has over 3,000 kilometers of coastline and more than 3 million mu of shallow sea and sandy soil which are available for breeding but only one-tenth of which has been utilized; it has over 4 million mu of freshwater composed of reservoirs, lakes, streams and ponds as well as river courses which are available for breeding and the greater part of which has not been utilized. The initial plans of the province in this respect is that a good foundation for the production of forestry is to be laid down within 3 years and all land suitable for forestry is to be planted with trees within 5 or 7 years, both in mountainous areas and hills as well as on plains. In the production of animal husbandry, while ensuring the steady increase in pigs, it is necessary to substantially develop plant-eating animals, such as cows, sheep, rabbits and geese. In the production of fishery, while appropriately controlling the gathering of fish and improving the quality of fish products, it is necessary to lay stress on seawater and freshwater breeding.

Judged from the conditions of the province, to speed up the development of forestry, animal husbandry and fishery, first, the leadership at various levels must raise their understanding, help the vast numbers of cadres and masses realize the important economic and social significance of grasping forestry, animal husbandry and fishery through various ways and means, put forestry, animal husbandry and fishery in the same important position as agriculture and grasp well forestry, animal husbandry and fishery as we have done with grain, cotton and edible oil. Second, the party's policies must be implemented. It is necessary to assign the barren hills, beach wasteland and all land suitable for planting trees to the production teams and peasant households under contracts as quickly as possible, and in addition assign part of the barren hills to the commune members for their sideline production. In animal husbandry, while upholding public livestock breeding, it is necessary to formulate and implement the relevant policies and vigorously encourage the peasant households to engage in livestock breeding. The main problem at present is that the level of pig breeding is decreasing. This has come about as a result of the fact that after the introduction of the production responsibility system, many communes and their subdivisions abolished some past effective regulations concerning pig breeding and, as a result, the enthusiasm of the masses was dampened. We are restoring, according to different specific conditions, the regulations concerning land for growing fodder, fodder rations, workpoints for collected manure, and the measure of 1 jin of pork for 1 jin of grain and so on, regulations which are aimed at encouraging commune members to breed more pigs. The units introducing the system of fixing output quotas for individual households and that of assigning land to each household in exchange for fixed levies are practicing the assigned purchase of pigs and have signed contracts related to this. Third, attention must be paid to the use of science. In paying close attention to the science and technology of forestry, special stress should be put on doing a good job in the breeding of fine varieties, the prevention and cure of plant diseases and the elimination of pests, and in the popularization of the already proven scientific and technological results. Take apples for example. The per mu yield of apples in the province is 1,000 jin, with the maximum per mu yield being 2,000 or 3,000 jin and the minimum per mu yield being 400 or 500 jin. With the spread of some common techniques for increasing production, the total apple output will increase from the present 2.4 billion jin to 3 billion jin. Fourth, it is imperative to grasp management. The key to grasping management lies in widely establishing and perfecting the production responsibility system in forestry, animal husbandry and fishery, doing a proper job of business accounting, and trying hard to reduce costs and improve economic results.

III. Take the Road of Comprehensive Operations Combining Agriculture, Industry and Commerce

To modernize agriculture and help the peasants to become prosperous as soon as possible, it is necessary to step out of the narrow scope of operation where efforts are concentrated on agriculture alone without paying attention to processing and commerce, to take the road of comprehensive operations combining agriculture, industry and commerce, and to improve the commodity turnover rate for agricultural and sideline products. Most of the raw materials of light industry in cities come from the countryside, which constitutes the main market for processed commodities. Therefore, doing a good job in locally processing agricultural and sideline products (including the semiprocessing of raw materials for light industry) will lessen the pressure on transportation and eliminate stockpiling, and economize on the time and expenses needed to transport materials and to help the peasants double and even triple their income by providing other ways than solely depending on the income from supplying raw materials. It must still be realized that the so-called rational agricultural economic structure must be an economic structure under which labor power is rationally distributed and time for labor is sparingly used. Shandong Province has a population of more than 73 million, of which 66 million are peasants. Along with the universal adoption of the production responsibility system and the constant improvement in agricultural mechanization, the surplus labor in the countryside will grow and grow. By developing commune- and brigade-run enterprises and carrying out a diversified economy in a big way, we will be able to fully utilize the labor resources of the countryside. This will not only provide more commodities and boost the income of peasants, but also be of far-reaching significance to the building of small cities and towns and to the lessening of the differences between city and countryside, between industry and agriculture. The labor power poured into industry, sideline occupations and the diversified economy last year by Yantai Prefecture constituted 54.8 percent of the total agricultural labor power; the income from industry, sideline occupations and the diversified economy made up 60.3 percent of the total agricultural revenue, and the average income of every commune member from collective distribution was 206 yuan. Looking at the province as a whole, the production brigades whose average per capita distribution is above 400 to 500 yuan are exclusively, apart from the solely fishing teams and cotton-growing teams, brigades whose industrial and sideline production and diversified economy constitute a considerably large proportion of their economy.

Shandong Province has quite rich resources for engaging in the processing of agricultural and sideline products, and the commune- and brigade-run enterprises have broad prospects. Last year the province produced over 13 million dan of cotton, of which a considerable part of the cottonseed could not be shelled and extracted into oil, and oil extraction alone produced an income of over 60 million yuan. The province has an annual yield of over 3 million tons of cotton firewood, those of which were used in processing totaled only 20,000 tons, comprising no more than 1 percent. The total output of fresh and dried fruit in the province is over 3 billion jin, of which the defective and substandard fruit which should be processed annually is about 400 million jin, but at present only about 4 million jin can be processed, accounting for 1 percent. The potential for processing straw articles and wickerworks is fairly large. The annual yield of corn husks which can be used for straw weaving is 300 million jin, of which only 100 million jin has been utilized; of the more than 57 million jin of wheat stalks, only over 10 million jin has been utilized; and of the more than 90 million of reeds, only 15 million jin has been utilized. Of the 4.7 million pieces of goat skins purchased by the province, only 290,000 pieces have been processed; of the purchased 170,000 pieces of cowhide, only 60,000 pieces have been processed; and of the 23 million pieces of other furs, only 5 million pieces have been processed. It can thus be seen that there are bright prospects for the vigorous development of the processing of agricultural and sideline products. If things are done well in this respect, it will bring about enormous economic results. For instance, processing sweet potatoes into starch will increase income from this produce by 80 percent and further processing of it into vermicilli will boost income from it by another 55 percent. The province has an annual yield of about 50 billion jin of sweet potatoes, and if 5 percent of this yield is processed into vermicilli, an additional more than 200 million yuan can be obtained.

To develop the processing industry of agricultural and sideline products, it is imperative to study and find solutions to the problems of relevant policies and structures, gradually bring the industry into line with state planning, and provide it with support and assistance in materials, funds and technical force. Besides first fulfilling the needs of the processing of state enterprises, the communes and their subdivisions should be organized in a big way to process those agricultural and sideline products which are suitable for local processing. Regarding some processing of agricultural and sideline products, the practice of establishing joint operations between the state on the one hand and the communes and their subdivisions on the other is encouraged. This practice will not only be conducive to finding a solution to the problem of being insufficient in processing capacity and to improving product quality and economic results, but also to resolving the contradiction of collective and state enterprises competing with each other for raw materials and tasks. It is necessary to provide reinforced planning and guidance and to make overall plans and rational arrangements for the processing orientation and processing quotas of a locality or a unit by taking all factors into account and to guard against blindness.

With the development of agricultural production, and particularly the development of industrial crops and a diversified economy, the existing commercial channels have more and more seriously failed to meet the needs of rural commodity circulation. At present, there exists the widespread phenomenon of "it is difficult to buy what we want to buy, and difficult to sell what we want to sell" in the rural areas. Some agricultural and sideline products are stockpiled in one place and are out of stock in another place. Not to reform the existing rural commercial structure will seriously interfere with agricultural production and the development of the entire agricultural economy. Apart from grasping well the experiment of the structural reform of supply and marketing cooperatives, to develop rural collective commerce, it is still necessary to develop brigade-run commerce in an active and orderly way, to turn the purchasing and marketing agencies of the supply and marketing cooperatives into collective commerce in which the brigade is taken as the basic accounting unit and assumes full responsibility for its own profits and losses, and to set up production and marketing service companies in charge of the commune's diversified economy and of organizing production, purchasing raw materials, promoting the sale of products, importing improved varieties from other places, directing and popularizing new technology and signing contracts on behalf of the collective and the commune members.

Readjusting the agricultural structure and improving economic results is an extensive and profound change in the rural economy. In the course of this change, we will constantly encounter some ideological obstacles, and some new conditions and new problems will crop up. This requires the party committees at various levels to provide more effective and practical leadership, to forcefully conduct ideological and political work, and to lead the peasants in persevering on the socialist road. Seen from the present situation, in carrying out ideological and political work in the rural areas, efforts should be concentrated on the following matters: It is necessary to correctly handle the relationship between the state, the collective and the individual, and earnestly give simultaneous consideration to the interests of the three parties and not concentrate on one aspect alone. It is necessary to correctly handle the relationship between state planning and guidance on the one hand and respecting the decisionmaking power of production teams and peasants on the other. Both the production teams and peasants must have "small freedoms" in planting, operation and handing over to the state or selling their products, and at the same time subject themselves to state planning and guidance. It is necessary to correctly handle the relationship between the multifarious sectors, forms and channels of rural commerce and the strengthening of market control and to enthusiastically carry out various activities of transportation and sale, so as to enliven the market on the one hand and to observe the state's policies and decrees, strictly forbid smuggling, speculation and profiteering as well as dishonest practices on the other. It is necessary to correctly handle the relationship between accumulation and consumption. Since their income has increased, apart from improving the conditions for their livelihood, the peasants are encouraged to boost accumulation which is to be used in expanding reproduction. We encourage hard work and frugality and oppose extravagance and waste. The key to doing a good job in ideological and political work in the rural areas lies in strengthening the building of the party basic organizations and political power. After the implementation of the production responsibility system, the party and government work in some units was weakened. This is a problem which warrants close attention and urgently requires solution. It is necessary to give full play to the role of the party branch as a fighting bastion and to the exemplary vanguard role of the communists, to strengthen the functionary role of the basic political power and to guard against separating oneself from collective affairs, and to overcome weakness and laxity in leadership. So long as the work of the party basic organizations and political power is strengthened and done successfully, the readjustment of the agricultural structure and the healthy progress of all rural work will be ensured of developing on a sound basis.

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MR LI DINGMING AND THE IDEA OF BETTER TROOPS AND SIMPLER ADMINISTRATION

Beijing RED FLAG in Chinese No 7, 1 Apr 82 p 19

[Historical note by Huang Zheng [7806 1513]]

[Text] During the anti-Japanese war, our party launched a large-scale campaign for better troops and simpler administration throughout the liberated areas in accordance with the suggestion put forth by Mr Li Dingming, a patriotic personage in northern Shaanxi. In his article "Serve the People" of September 1944, Comrade Mao Zedong said: "The idea of 'better troops and simpler administration' was put forth by Mr Li Dingming, who is not a communist. He made a good suggestion which is of benefit to the people, and we have adopted it." ("Selected Works of Mao Zedong," Vol 3, p 954)

Li Dingming, born in Mizhi County, northern Shaanxi, in 1880, was a Hanlin Academy degree holder of the Qing dynasty and served as section chief in the government of Yulin Prefecture. He also had been a middle school teacher and a primary school principal in Yulin, Shaanxi Province. After that, he earned his living by practicing medicine and farming in his native place. After the establishment of the Shaanxi-Gansu-Ningxia revolutionary base area, he acted as the head of the Finance Committee of Mizhi County and was elected as the chairman of the county's Consultative Council in 1941. On 7 November 1941, he was elected vice chairman of the Consultative Council of the Shaanxi-Gansu-Ningxia Border Region at its second session. On 20 November of the same year, he was also elected vice chairman of the border regional government. Mr Li Dingming held the CCP in great regard. While working with CCP members, he made efforts to closely coordinate and cooperate with them. He also enjoyed high prestige in the border region.

It was at the beginning of November 1941, when he attended the second session of the Consultative Council of the Shaanxi-Gansu-Ningxia Border Region that Mr Li Dingming put forth his suggestion for better troops and simpler administration in order to improve the situation in the administrative organs of the border region that was not appropriate to the state of the war at that time. He said: "At a time when the people are undergoing hardships and the natural resources are in short supply, if we do not want to restrict military and administrative development owing to economic exhaustion, and if we do not want to harm our economic lifeline as a result of our military and administrative development, the government should make overall plans for the economy and apply the principle of better troops and simpler administration. It should keep its expenditures within the limits of income and draw up a budget so as to maintain a good balance." "Militarily, we should make our troops better and intensify their combat strength in line with the principle of every man being able to fight and help to win battles. We should avoid having the old and weak in the armed forces just to maintain a certain number. Meanwhile, the government should practice simple administration and streamline its organs. It should pursue a policy of limited staff with high efficiency and proficiency in order to avoid the existence of unwieldy organs with redundant staff and the waste of manpower and financial resources." On 18 November, the session passed Mr Li's proposal by a majority of 165 votes, and it was to be "submitted to the government for immediate action." In its declaration, the session formally proclaimed that "the government must practice simple administration and streamline its organs." In accordance with the opinion of the Consultative Council of the Border Region, the government made a decision to act accordingly and at the first government administrative meeting, it set up a special committee for this purpose.

Comrade Mao Zedong attached great importance to the suggestion made by Mr Li Dingming. He underlined in red the essential paragraphs and jotted them in his notebook with this comment: "This is a good method, which serves as an effective cure for our red tape, bureaucratism and formalism." At the beginning of December 1941, the CCP Central Committee decided to popularize this method adopted in the Shaanxi-Gansu-Ningxia Border Region. It issued the instruction for "better troops and simpler administration" to all anti-Japanese base areas, calling for overhauling organizations at all levels, streamlining organs, strengthening grassroots units, enhancing efficiency and practicing economy in manpower and materials. Following that, the CCP Central Committee issued some further instructions and decisions on the issue of making troops better and simplifying administration. Yanan's JIEFANG RIBAO repeatedly published editorials and sponsored discussion meetings on this subject.

When he was vice chairman of the border regional government, Mr Li Dingming earnestly carried out all the instructions issued by the CCP Central Committee. At that time, he was already over 60, and though in poor health, he was still very resolute in his work. In his inaugural address, Mr Li Dingming said in all sincerity: "After having read and studied some different books about socialism, I have come to understand that socialism is the only doctrine which is absolutely fair. In the world today, all countries are bound to follow the road of socialism. Now, China is besieged by a formidable enemy and is short of natural resources. There are numerous difficulties in pursuing socialism. Nevertheless, at this juncture of life and death, we must endeavor to carry forward socialism." Through three streamlinings, the Shaanxi-Gansu-Ningxia Border Region achieved great successes in its work. In his report "Summary of Streamlining the Border Regional Government" at the fourth meeting of the border regional government on 7 January 1944, Mr Li Dingming pointed out: "The border regional government has merged and reduced its internal offices by one-fourth. The organs directly under the government have been reduced from 35 to 22. The number of their staff has been cut down from 469 to 279. The counties in the border region have also been greatly restructured. We have attained our goals in five aspects--streamlining, unifying, promoting efficiency, practicing economy and combating bureaucratism."

The streamlining carried out in the Shaanxi-Gansu-Ningxia Border Region and other anti-Japanese base areas played an important role in overcoming the severe economic difficulties at that time, continuing the protracted war and winning final victory in the anti-Japanese war. We should never forget the important contribution made by Mr Li Dingming in this respect.

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IT IS IMPERATIVE TO UPHOLD THE BASIC PRINCIPLES OF MARX' THEORY OF REPRODUCTION--PART THREE

Beijing RED FLAG in Chinese No 7, 1 Apr 82 pp 20-25

[Article by Deng Liqun [6772 0550 5028]]

[Text] III. Giving Priority to the Growth of the Production of the Means of Production Is the General Law of Expanded Reproduction

As we mentioned before, during the period of readjustment, it is inevitable for heavy industry to grow a little bit slowly or even not to grow temporarily. But can we conclude that the growth rate of heavy industry should always be lower than the growth rate of light industry and the proportion of heavy industry output value should always be smaller than that of the light industry output value? Should we take this as a policy to be adopted in our long-term planning? Some comrades hold this view. I deem that this view is inadmissible and we will make big mistakes if we accept this view. The comrades holding this view do not distinguish provisional measures from long-term policies and do not understand that, generally speaking, during the period of readjusting the economy, heavy industry should develop a little bit slowly while the production of light industrial products in short supply should grow faster, for it will be impossible to implement the policy of readjustment if we do not do our best to look after the industrial departments producing products in short supply, especially when energy supplies are limited. Yet while elaborating long-term plans, we still must uphold the principle of giving priority to the growth of the production of the means of production. Giving up this principle will result in the prolonged backwardness of heavy industry, stagnation of our light industry, agriculture and even of heavy industry itself (especially transportation and the energy industry) because of a lack of an increasingly perfected technology and equipment, and because of the permanent strain on our raw material and energy supplies, and thus give rise to very great adverse effects on the development of the national economy. Therefore, although we are temporarily reducing the proportion of heavy industry, we should not regard this as a long-term policy. In the long run, it is still necessary to increase the proportion of heavy industry gradually and appropriately. Even during the period of readjustment, energy and transportation are still regarded as key sectors when we arrange capital construction. This is indispensable for ensuring smooth expanded reproduction. This is all the more so in the process of industrialization, during which machines are to replace manual labor in production.

Not long ago, some comrades from theoretical circles put forward the formal proposition that we should build our society into an industrialized society with a light industrial structure. We adopted this proposal while drafting a document in April 1979 pursuant to the Central Committee's instructions. The document has not been completed and this proposal has consequently been given up. We might enquire into this proposal while conducting research. But taking this as a policy to be implemented deserves much debate. We want to substantially develop the production of consumer goods for daily use, and especially the production of consumer durables, so as to increase the supplies of these products continuously. But if there is insufficient energy, no new types of materials, and no modern technology and equipment, it will be impossible to produce consumer goods in such a way that the growing demands of the broad masses, both quantitatively and qualitatively, can be met. It is impossible to carry out modern construction without giving priority to the growth of the production of the means of production. There is no doubt that we must grasp light industry. We have not done enough in this regard and we still have to make great efforts to boost light industry. But we ought to be more far-sighted. That is the very reason why we should study economic principles and far-reaching policies. We still must uphold the principle of giving priority to the growth of the production of the means of production. In other words, the growth of heavy industry still must take priority. In the past, Comrade Mao Zedong always said that heavy industry should be the center of our economic construction, and he did not deny this even when talking about arranging the national economy according to the order of agriculture, light industry and heavy industry. Here the point is to have a clear idea of the direction in which heavy industry should render its services. In 1979, pointing to the metallurgical departments' blindness in respect to both output and quality, Comrade Chen Yun proposed that the metallurgical industry change its service orientation. He cited housing in the countryside as an example. Peasants were having difficulty in erecting houses for lack of timber in the countryside. The metallurgical departments could have produced some metal parts and supplied them to the countryside. This applies not only to the metallurgical departments, but also to all other heavy industry departments, which should orientate their services correctly, always bear in mind the needs of developing agriculture and light industry and the needs of the people's livelihood, and serve agriculture, light industry, the market and the people's livelihood. At the same time, they should bear in mind the needs of national defense. In addition, they should heed the demand of the international market so as to increase exports and help develop the domestic economy. In the past, we exported more semifinished products, such as tungsten ore, than finished products and even had to import many finished products, such as tungsten filaments, and thus suffered great losses. Heavy industry now has the task of readjusting its service orientation and should consider what to do in the light of the needs of agriculture, light industry, the market, the people's livelihood and exports. Meanwhile, the internal structure, or the internal proportionate relations of heavy industry, should be streamlined so that heavy industry can adapt itself to the readjustment of its service orientation. In the past 30 years, we have laid down quite a sizable foundation for construction, building up fixed industrial assets amounting to over 410 billion yuan and erecting over 400,000 industrial and communications enterprises. Now a very urgent and important task is to carry out, step by step, technological transformation on the foundation of modernization that we have built.

If we fail to carry out gradual technological transformation, the equipment in these enterprises will become more backward in a few years, and still less will they be modernized. If heavy industry's service orientation is correct, and plans and restructuring are carried out according to this orientation, there will be ample scope for it to play its role, its output value can be raised, its proportion can be increased, and its position and role in the national economy will become more important.

We propose that now, and for quite a long period in the future, on the industrial side, the development of the production of the means of consumption should occupy an important place. We should first ensure fulfilling the needs of developing industries producing consumer goods whether in respect to energy and material supplies, investment and allocation of credits, arrangement for the use of scientific and technological forces, and selection of research topics, or in respect to the introduction of technology and equipment from abroad. Does this contradict the principle of giving priority to the growth of the production of the means of production? There is no contradiction as long as the departments producing the means of production follow the correct service orientation, because the production of consumer goods cannot develop without the supplies of the means of production, or to put it the other way around, only if the production of the means of production grows first, will it be possible to meet, promptly and sufficiently, the needs of the departments producing the means of consumption in respect to machinery, equipment and newly discovered industrial raw materials.

Some comrades refute the principle of giving priority to the growth of the means of production from the viewpoint of policy while some refute it from the viewpoint of theory. The arguments of the latter are, in summary: According to one argument, this principle is theoretically unsound; according to another argument, it plays its role only under certain historical conditions and is therefore not a universal law.

Why is this principle theoretically unsound? The following arguments deserve to be brought up for discussion.

First, giving priority to the growth of the means of production is not Marx' viewpoint and Marx' opinion. Giving priority to the growth of the means of production is not the condition for expanded reproduction in the capitalist society. What are the facts? Marx in fact did not make such a generalization. It is Lenin who did so. But Lenin entirely followed Marx' theory when making this generalization. While interpreting Marx' theory concerning the condition for realizing expanded reproduction, Lenin included technological progress in the formula, made a detailed analysis bv means of charts, and then concluded: "Thus, we have seen that the production of the means of production which manufacture the means of production grows fastest, then follows the production of the means of production manufacturing the means of consumption, the production of the means of consumption grows most slowly. Even without the study that Marx made in his 'Das Kapital,' volume two, it would be possible to come to the above conclusion by referring to the law according to which constant capital tends to grow faster than variable capital, because the statement that the means of production grow fastest is merely another way of saying that this law applies to the total social product." ("Collected Works of Lenin," Vol 1, p 7) Under the capitalist system, technological progress and replacement of manual labor by machines find expression in a high growth rate of constant capital in comparison with variable capital. So whether Lenin is right in including technological progress (constant capital grows faster than variable capital) in his analysis depends on whether what "has been included" represents Marx' viewpoint. Whoever has read "Das Kapital," volume one, knows that in the chapter "The Process of Capital Accumulation," Marx demonstrated by detailed discussion that under the capitalist system, technological progress finds expression in the downward tendency of the ratio between variable capital and constant capital. As a matter of fact, Marx expressed this opinion on many occasions. For instance, in "The Theory of Surplus Value" he said: "With the development of capitalist production, the part of capital invested in machinery and raw material grows while the part of capital spent on wages decreases. This is an irrefutable fact." ("Collected Works of Marx and Engels," Vol 26, p 402) All this proves that the argument that Lenin's generalization is not Marx' viewpoint is without foundation.

Second, technological progress can also be achieved through economizing on means of production and, under this condition, technological progress will not find expression in the downward tendency of the ratio between variable capital and constant capital; according to the same argument, what has just been said is not covered by the analysis of Marx and Lenin. But, as a matter of fact, while analyzing the reproduction of capital in a society, Marx and Lenin never neglected to consider that more advanced and more perfect technology and equipment would replace backward ones. We know that while analyzing simple reproduction in "Das Kapital," volume two, chapter three, Marx expounded on how the two kinds of constant capital were replaced, including the replacement of value and physical replacement, which, besides, should correspond to one another; he also expounded on how additional constant capital was derived while analyzing expanded reproduction. As he said in the above-mentioned chapter, for replacement and addition alike "most of the means of production undergoes continuous renovation as a result of industrial progress. Therefore, instead of in the original form, replacement takes place in the form of renovation." ("Collected Works of Marx and Engels," Vol 24, pp 190-191) That is why he divided expanded reproduction into extrinsic expansion and intrinsic expansion. So-called intrinsic expansion means raising the efficiency of the means of production.

Of course, the point is not what Marx' and Lenin's views were, but whether their views are out of date.

It is true that since the middle of this century, especially since World War II, the developed capitalist countries have been increasingly resorting to economizing on the means of production for achieving technological progress. As a result, the capital component tends to decrease. For instance, in the United States, the ratios between capital and wages for the processing industries were: 4.12 in 1909, 3.26 in 1919, 3.67 in 1929, 3.51 in 1937, 2.49 in 1948, 2.36 in 1953 and 2.45 in 1968.

Does this mean Marx' principle that with technological progress, the ratio between variable capital and constant capital tends to decrease, and that, therefore, the argument that the growth of the means of production takes priority is no longer valid? We should admit that under the condition of achieving technological progress through economizing on the consumption of the means of production, this process, although not as evident as when manual labor was being replaced by machines, is still taking place. Let us make some simple analyses. What has constituted the economies of the means of production realized by the industries in the capitalist world in recent years? Lower consumption of raw materials and other material inputs, mainly owing to newly discovered raw materials and improvements in technology and equipment; lower expenditure on the so-called negative part of fixed assets, that is, buildings and projects. Here, many factors are effective only for a short period and will not be able to play a role forever. As regards the so-called positive part of fixed assets (or to cite Marx, "the skeleton system and muscle system of production"), the proportion of machinery and equipment has been increasing. Taking the major material production departments of the United States as an example, the ratios between their capital value and wages were: 1.06 in 1929, 1.1 in 1937, 1.12 in 1940, 1.07 in 1950, 1.27 in 1958 and 1.27 in 1968. While demonstrating that "in the process of capital accumulation accompanied by capital buildup, variable capital decreases relatively," Marx said: "With the lapse of time, one day old capital will be renewed from head to foot, will cast off its skin and will regenerate in the form of better technology, under which form, a smaller amount of labor will suffice for operating a larger quantity of machines and raw materials." ("Collected Works of Marx and Engels," Vol 23, p 689) Have the facts in the past decades refuted this thesis of Marx' or further corroborated it? Evidently, they have corroborated this thesis.

Third, the production relations in capitalist society are the condition for the law of giving priority to the growth of the means of production to operate, and this law ceases to exist under the socialist system. What should be our view of this argument? Of course, there is an acute contradiction between accumulation and consumption under the capitalist system, where constant capital grows faster than variable capital. In other words, more and more newly formed capital shifts into the production departments manufacturing the means of production, even to the extent that the two major categories become disproportionate. This has already become an objective law of economic development in capitalist society. But, just as Lenin pointed out, "Replacement by machines of manual labor is not 'absurd' at all, on the contrary, this reflects the role of all technological progress made by mankind." ("Collected Works of Lenin," Vol 1, p 88) In "Das Kapital," volume three, chapter two, which was rewritten by Engels according to Marx' manuscript, there is a passage which reads: "Labor productivity rises just because: the share of living labor decreases while the share of past labor increases; but since the total amount of labor embodied in commodities decreases, the decrease in living labor exceeds largely the increase in past labor." However, "as regards capital, the law of raising labor productivity does not operate unconditionally. As regards capital, this kind of productivity may be raised not when living labor can be saved in general, but only when the economy in paid living labor exceeds what is added to past labor." ("Collected Works of Marx and Engels," Vol 25, pp 290, 292) A very clearcut distinction has been made: the decrease in the share of living labor and the increase in the share of past labor, and the resulting decrease in the total amount of labor contained in products, is a universal law which operates in societies with any social and economic structure; the feature peculiar to capitalist society is that instead of seeking to economize on living labor in general, capital seeks to economize on the part used for remuneration of living labor. Just because of this, under the capitalist system, giving priority to the growth of the means of production is related to the phenomenon that the production of the means of consumption falls behind that of the means of production. But the production of the means of production cannot be separated too far and for a long period from the development of the production of the means of consumption. So when the production of the means of production has developed to a certain extent, there will be fluctuations and even crises, after which the lost equilibrium will be restored.

Production in a socialist society is, by nature, not for seeking profits but for meeting the needs of workers; it does not develop blindly but according to plan. We are absolutely in a position to ensure, by consciously observing the law of giving priority to the growth of the means of production, timely and sufficient supplies of the means of production to the two major categories so as to expand reproduction smoothly, and at the same time to ensure, by consciously observing the law of coordinated development of the two major categories, a correlative development of the production of the means of consumption and the production of the means of production while enhancing the development of the production of the means of production. Opposing the aim of production and the planned and proportionate development of production in socialist society to giving priority to the development of the production of the means of production, and asserting that giving priority to the development of the production of the means of production will cause the two major categories and even the entire national economy to become disproportionate and will make it impossible for production to meet the workers' needs in their material and cultural life, are views which do not have any foundation. For instance, under the capitalist system, a relative population surplus, or a huge contingent of jobless people, will inevitably appear in the course of capital accumulation, as the capital component increases. This is not only the inevitable consequence of, but also the condition for, production in a capitalist society. We also want to continuously replace backward equipment by more advanced equipment. That is why we must give priority to the growth of the production of the means of production and would otherwise be unable to realize modernization. But while determining the spheres and steps of the modernizations, we must give due consideration to the employment situation. In our country, which has a large population and an unfavorable starting point, employment is a great issue. Therefore, it is impossible to modernize our country quickly, and for a long period of time, manual labor and semimechanized production on the one hand and mechanized and automated production on the other hand will coexist. This is not only because it is impossible to accumulate so much capital overnight, but also because only in this way can more jobs be created. Since the 3d Plenary Session of the 11th CCP Central Committee, we have arranged jobs for over 26 million people while readjusting the national economy at the same time. Would capitalists have done the same thing? They definitely would not, for their method is to lay off as many people as possible. It is not only out of economic considerations but also out of political considerations that we have been doing so, because in this way we can in return secure social stability and unity, which are the indispensable conditions for building a modernized socialist country. In order to realize modernization as well as to arrange for employment, we must appropriately resolve the contradiction between the level of employment and the raising of labor productivity.

In the past, our national economy became disproportionate more than once. Since the 3d Plenary Session of the 11th CCP Central Committee, investigations and summarization of past experiences have been making it more and more clear to everyone that the policies guiding our economic work which were of the "leftist" ideological persuasion were the main causes. Policies of the "leftist" ideological persuasion included blindly pursuing high targets, biased interpretation of the giving of priority to the growth of the production of the means of production, and stressing the development of the steel and iron industry alone. As a result, the two major categories became disproportionate. Misinterpretation of the principle and the principle itself are two totally different matters, which should not be mixed up in our discussions. In the past, things went wrong in this regard, not because we upheld the principle of giving priority to the growth of the production of the means of production, but, on the contrary, because we acted against this principle, because correctly applying this principle requires us that we maintain a harmonious correlation between the two major categories.

Some comrades fail to make this distinction and ascribe the disproportion to the principle of giving priority to the growth of the production of the means of production, and even say that if this principle is alleged to be a law, then it can only be a law disrupting the overall equilibrium and a law disrupting the national economy. Other comrades even say that if we had started our industrialization from light industry, we would have accumulated much more capital and would have avoided the drastic ups and downs in our economic development. Thus, they have brought up an issue to be treated very seriously: Was the policy during our first 5-year plan ultimately right or wrong? As everybody knows, the industrial foundation in old China was very weak. Before the war of resistance against Japan, modern industry only represented slightly over 10 percent of the total industrial and agricultural output value, while heavy industry represented 23 percent of the total industrial output value. In 1949, steel output was only 158,000 tons, while most of the machine-building enterprises were small factories capable of carrying out repairs only. Under such circumstances, if economic construction had not been centered on heavy industry, it would have been impossible to equip light industry and agriculture with comparatively advanced technology so as to realize industrialization. Just because our party adopted the correct policy of taking heavy industry as the key sector, we were able to quickly establish our own modern machine-building industry, power equipment industry, metallurgical industry, mining equipment industry, high-alloy steel industry, important nonferrous metals industry and other burgeoning industries, and thus remarkably change the backward outlook of our industry as well as lay a solid foundation for further developing our national economy. During the first 5-year plan, while ensuring that the development of heavy industry remained the first priority, we also succeeded in developing light industry and agriculture. During these 5 years, the growth rate of the total industrial and agricultural output value averaged 10.9 percent per annum with the total heavy industry output value growing at an average rate of 25.4 percent per annum, the total agriculture output value growing at an average rate of 4.5 percent per annum and the total light industry output value growing at an average rate of 12.9 percent per annum. Facts have proved that the policy of giving priority to the development of the production of the means of production implemented during the first 5-year plan was correct. What we need to correct now is the misinterpretations of this policy, instead of the policy itself, which we can by no means give up.

Let us now discuss whether giving priority to the development of the production of the means of production is a law common to all forms of expanded reproduction, or a law which operates only under certain historical conditions.

First, as some comrades put it, let us have a look at "real economic life." Nobody denies that in the 19th century and in the first few decades of the 20th century, the production of the means of production took priority in capitalist industrial development, and only since the middle of the 20th century, especially in the decades after World War II, have the first category and the second category on the whole developed in parallel, with the growth rate of the second category exceeding that of the first category occasionally. This means that, as regards the development of capitalism, the latter situation has a shorter history than the former one, and that even the latter situation needs to be analyzed in detail. If we take the machine-building industry alone, which is the most important production department of the means of production, and compare it with light industry (the textile, garment, footwear, foodstuffs industries and so on), we see that the growth rate of the former has still been higher than that of the latter. From 1955 to 1974, the growth rate of industry in the developed capitalist countries averaged 5 percent per annum, with the growth rate of the machine-building industry averaging 5.6 percent per annum and that of light industry 3.8 percent per annum. The proportion of the machine-building industry in industry as a whole rose to 36.2 percent in 1974 from 31.3 percent in 1955, while that of light industry declined to 27.7 percent in 1974 from 31.5 percent in 1955. In the United States, from 1955 to 1977, the average growth rate of the total national product was 3.2 percent per annum, that of industry as a whole was 3.6 percent per annum while the average growth rate of the machine-building industry was 5 percent per annum, that of the electrical engineering and electronics industries 5.2 percent per annum, that of the precision machine-tool industry 6.7 percent per annum; the only exception was the industry manufacturing means of transportation, recording a lower-than-average annual growth rate, that is, 3.5 percent. In the case of Japan, between 1951 and 1974, the average growth rate of the national product was 9 percent per annum, that of industry as a whole was 13.7 percent per annum, while the average growth rate of the machine-building industry was as high as 19.1 percent per annum. In West Germany, England and France, the machine-building industry has also grown more or less faster than industry as a whole and than the national product. These figures show that we cannot simply deny that in the past few decades priority has been given to the growth of the means of production.

Of course, in addition to machinery and equipment, the machine-building industry also produces a part of the consumer goods for daily use. Yet, even taking into account this factor, the above judgment remains valid, because on the one hand the machine-building industry mainly produces machinery and equipment rather than consumer goods for daily use, and on the other hand, the textile industry, which falls under the category of light industry, also produces a part of the products used in production. Based on data published in the July 1981 issue of the American periodical "Manual of Basic Economic Statistics," some comrades have used the end-products on the market to calculate the growth rates of the industrial consumer goods and equipment in the United States from 1947 to 1980. The results are: the consumer goods increased by 341 percent while the equipment increased by 489 percent. These are very convincing data.

In the second place, even without making the above detailed analysis, there still remains the problem of how to grasp the relationship between economic laws and economic phenomena. While speaking of "the law of decreasing profitability," Marx said: "Some reactions will necessarily produce their effects to resist and counterbalance the effects of this general law, making it a law of tendency. Therefore, we call the decline in general profitability a downward tendency." ("Collected Works of Marx and Engels," Vol 25, p 258) While analyzing the general tendency of raising the agricultural component in the capitalist countries during the 19th century, Lenin also said: "We lay stress on the word 'general,' because both Marx and his disciples have always regarded this law as a law of general tendency in the capitalist world rather than a law operating under every particular circumstance." ("Collected Works of Lenin," Vol 4, p 93) No economic laws (in fact even no laws in general) exist in isolation without encountering the reactions of the factors which obstruct and resist their effects. Therefore, they can only be "laws of general tendency," and "real economic life" can by no means always correspond to economic laws without the slightest departure from them. Taking the law of giving priority to the production of the means of production as an example, in the past few decades, this law has encountered many factors obstructing and resisting its effects in the major capitalist countries. What we mentioned before while talking about the changes in the capital component was this factor. As a matter of fact, there are many other factors. For instance, depreciation of the means of production, increase in staff and workers' nominal wages, development of service industries and so forth. The development of service industries will boost the demand for consumer goods on the one hand and does not generate a great demand for the means of production on the other hand. This cannot but be reflected by the ratio between the growth rates of the two major categories.

It is particularly worth pointing out that since World War II, the growth rates of the production of minerals and fuels in the major capitalist countries have been noticeably lower than the growth rate of industry as a whole. Why could this situation exist? This is because these countries have become more dependent on imports for these products. According to statistics, the energy output of the United States in 1950, calculated on the basis of standard fuels, was 1,165,060,000 tons while the consumption amounted to 1,139,880,000 tons. Output exceeded consumption. But in 1958, consumption started exceeding the output, and in 1975 the consumption amounted to 2,349,550,000 tons while output was only 2,036,670,000 tons, the difference being 312,880,000 tons. In England, the standard fuels output in 1950 was 219.88 million tons while consumption amounted to 221.03 million tons. So the difference was not very big. But in 1975, the consumption rose to 295.33 million tons while output declined to 183.99 million tons, the difference being 111.34 million tons. The following data well illustrate the degrees of dependence on imported minerals and fuels on the part of the major capitalist countries.

The amount of products imported as a percentage of domestic supplies for some products in 1975:

	United States	England	France	West Germany	Japan (1976)
Crude oil	33.1	99.4	98.9	94.2	99.7
Coal		3.9	40.9	3.3	76.6
Iron ore	29.0	28.1	77.9	93.0	99.6

Raw materials and fuels account for a very large share of the means of production. If this part of the means of production is not produced inside the country, this cannot but be reflected in the growth rates of the means of production.

Economic life in a society is always related to political life. Therefore, in addition to economic factors, internal and external political factors also affect the effects of economic laws. This has to be taken into account while investigating how economic laws operate. We will not discuss this point here.

Factors counterbalancing the effects of the law of giving priority to the production of the means of production definitely exist in the socialist economy. For instance, although the socialist economy is basically an economy which develops according to plan and therefore does not have economic crises owing to overproduction as does the capitalist system, the production of the means of consumption and the production of the means of production will become seriously disproportionate for various reasons, especially because policies guiding economic work inappropriately and unilaterally emphasize the growth of the production of the means of production. Then, it will be necessary, as well as possible, to take the initiative in readjusting, suitably slowing the growth rates of the production of the means of production and substantially accelerating the development of the production of the means of consumption. Therefore, even under socialist conditions, it is impossible to permanently give priority to the production of the means of production.

Many people have enumerated and analyzed the factors which resist and obstruct the effects of the law of giving priority to the production of the means of production, yet have concluded that this law is not a universal law. This conclusion cannot be approved. We ought to pay attention to the "particular circumstance" arising from the obstruction of and resistance to the effects of economic laws. But this does not permit us to deny the existence of economic laws. If we adopt this method of analyzing problems, we may, I am afraid, deny any economic laws. (End)

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ON GOAL, BASE AND SPEED

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[Article by Jin Wen [6855 3080]]

[Text] In reforming society and pushing it forward, the proletariat always maintains a clear goal. Our long-range goal is to realize communism. And our present goal is to build a modernized and powerful socialist country with high degree of democracy and civilization. In order to attain this goal, we have to start from the base of actual national strength. In the course of working toward this goal, we have to maintain a certain speed. Then, how should we decide on a really suitable speed? There are two methods. The first is to draw up a plan for capital construction based on a "high speed," which would be the product of subjective thinking; and the other is to draw a plan based on the present national strength.

From the statement "The scale of construction must conform with national strength" by Comrade Chen Yun, we see that he opposes the former and advocates the latter. He said: "The scale of construction must conform with the financial and material resources of the country. Whether it conforms with the latter is the criterion for judging whether the economy is stable. In a big country like ours with a population of 600 million, economic stability is extremely important. If the scale of construction is beyond the limits which financial and material resources can meet, then it is simply a rash advance and it will give rise to economic disorder; if the former and the latter are in balance, the economy will remain stable. Of course, it is no good to be so conservative that a reasonable speed of construction is not maintained." Initially, it would seem that it is not economic development but "economic stability," and it is not speed but "conformity," that was emphasized here. But actually this is not the case.

All people who support the socialist cause hope that our country's construction can be pushed forward more rapidly. Their hope is reasonable. The point is that development cannot emerge out of a void, and the speed must be subject to the limitations of the base. The reason is that the development of material productive forces is a continuous process. Marx pointed out in a letter to P. V. Annenkov: "Men are not free arbiters of their productive forces--which are the basis of all their history--for every productive force is an acquired force, the product of previous activity. The productive forces are, therefore, the result of practical human energy; but this energy is itself circumscribed by the conditions in which men find themselves, by the productive forces already acquired, by the social form which exists before they do, which they do not create, which is the product of the preceding generation. Because of the simple fact that every succeeding generation finds itself in possession of the productive forces acquired by the preceding generation, which serve as the raw materials for new production, a cohesiveness arises in human history, which is the basis of man's history." ("Selected Works of Marx and Engels," Vol 4, p 321) Similarly, in marching toward the goal of socialist modernization, we cannot do without a starting point, but the starting point is not up to us to choose. It can only be the existing base, the existing national strength, which mainly means the present productive forces. How and at what speed we approach our goal are not decided by people's will. Although a social movement is a process of material movement with the people's participation, and man's subjective initiative is by no means negligible, the social movement can never be freed from the limitation of national strength. The favorable factors embodied in national strength, at present or in the future, are helpful to us in raising the speed of development; meanwhile, the unfavorable factors will always affect it.

Economic development, being the growth of material force, must be handled with meticulous care. Only a solid, steady and substantial speed of development with good economic results will be good for our work of approaching the goal. And those "high speeds" with great fluctuations and bad economic results will be detrimental to both the country and the people. They can never speed up construction; in fact, they actually slow progress.

The lessons we have learned over the past years show that one-sidedly pursuing "high speed" and "high standard" and disregarding the compatibility between the construction scale and national strength will inevitably give rise to serious imbalances among various sectors of the national economy, production of substandard goods, tremendous waste of material resources, an upsurge of unhealthy tendencies in the economic field and an upsetting of the normal socialist economic order. In other words, they will bring about economic unstability or economic disorder. A country whose economy cannot be developed steadily will never be able to make remarkable and substantial progress although it puts both time and effort into this. Then what is meant by stable development? It means that every step is a substantial move forward. The speed, though not so "splendid" on an annual basis, will be marvelous in the long term. That is what we call striving for "stability" on the basis of "compatibility," and in turn, striving for development on the basis of "stability"; taking the whole situation into account and paying attention to real effect. Therefore, striving for stability can by no means be regarded as a rightist practice.

It is quite obvious that the idea of compatibility between the construction scale and national strength does not mean to oppose the demand for raising speed. On the contrary, it should not obstruct the achieving of a "reasonable speed." In his article "The Present Financial and Economic Situation and Certain Methods To Overcome Difficulties," Comrade Chen Yun said: "The basic idea of our work should be: striving for high speed while being well prepared for stagnation. We should try our best to achieve anything which is favorable to the increase of agricultural production. However, we must be aware that we will probably not reach the ideal speed although everything has been done. Therefore, we have to be well prepared for stagnation." Despite the difficulties caused by the "leftist" guiding ideology and rash actions at that time, Comrade Chen Yun remained in favor of maintaining a certain speed. "Striving for high speed" means to reach a relatively high speed; while being "well prepared for stagnation" means taking into consideration the minimum speed which we could reach with our "very best efforts." Here the "stagnation" owing to standing idle is intolerable, and it has nothing to do with that "stagnation" we mentioned in the idea of being "well prepared for stagnation." Similarly, although today we have suffered much from leftist rash practices in economic construction, we should never go to the other extreme and think that it is better to develop the economy as slow as possible.

Starting from and keeping compatible with the national strength is the material prerequisite for us in determining the speed of development. To do so is not a negative but positive act. However, there is emerging an idea in some places that gives no importance to speed in the present period of readjustment. Naturally such an idea leads to slackness and low efficiency. It is true that we started the economic readjustment in the beginning of the 1980's mainly because we had promoted the "high speed" and "high standards" in the past under the guidance of the "leftist" thinking which brought about a serious imbalance among various sectors of the national economy and severely undermined the national economy. Of course, the economic readjustment has to clear away the "leftist" guiding ideology, and lower the impractical "high speed" and "high standards" to a practical level in actual work. Therefore, some units have to be "closed, suspended, merged or shifted." What are all these measures for? They are intended to completely get rid of the "high speed" which caused great fluctuations and disregarded economic results in the past, and to replace it with a steady speed of development which will produce good economic results. Therefore, readjustment does not mean that we do not pay any more attention to the speed of development, but that we are to achieve an integration of speed and results, so that we can take a firm stand and advance in a better way on a more concrete basis. Thus, we will be able to turn the impractical "high speed" into a solid and substantial speed.

Such a speed can be reached and is bound to produce prominent results in the period of economic readjustment. This readjustment will on the one hand readjust the proportionate relationships between industry and agriculture, between light industry and heavy industry, and between accumulation and consumption; and on the other hand, readjust product structure, technical structure, enterprise structure and organization structure, and rationalize economic structure. If only we can conscientiously carry out these tasks the national economy will be able to maintain a certain growth in the readjustment which will bring substantially more benefits to the people. In the future, following the successful completion of economic readjustment and reform, our country's economic construction will surely achieve higher speed on the road of steady progress and healthy development. However, we should never forget the truth that "the scale of construction must conform with the national strength." Only by doing things in a practical and realistic way and making progress in solid steps can we reach real speed on the road toward achieving our goal.

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WHAT IS CREDIT INFLATION, AND IS IT THE SAME AS CURRENCY INFLATION?

Beijing RED FLAG in Chinese No 7, 1 Apr 82 p 28

[Article by Chen Wenlin [7115 2429 2451] in "Questions and Answers" column]

[Text] Answer: Credit inflation refers to the volume of credit exceeding the sources of credit. In this case, the corresponding supply of goods and materials cannot keep pace with the growth of loans. The function of credit is to regulate social funds. In general, the volume of credits created by banks is based on the amount of deposits they have on hand. For example, if loans exceed sources and the state does not control marketable goods and materials, credit funds will be used to cover financial deficits or an excessive number of long-term construction loans will be made (these loans cannot supply marketable products in a short time), and then the phenomenon of the supply of money in circulation exceeding the supply of goods and materials will arise as a result of the new purchasing power derived from these loans. As a result, commodity prices rise and money is devaluated. Does this mean credit inflation will certainly arise whenever banks make loans in excess of the sources of these funds without a guarantee of goods and materials? I do not think so. In my opinion, only when the volume of credit expansion exceeds a certain limit does credit inflation occur. Last year, a basic balance was maintained between revenue and expenditure and between inflow and outflow of credit funds in our country. But there was not a complete balance, so the possibility of credit inflation still exists. We should never ignore this fact. In his government work report, Premier Zhao Ziyang said: "We should keep fund raising under control and prevent credit inflation. And the banks' role of accumulating, transferring and controlling credit funds must be strengthened."

Currency inflation refers to an excessive amount of paper money circulating in society--exceeding normal needs in commodity exchange and labor payment, and followed by devaluation. One of the inevitable results of inflation is a rise in commodity prices. But not all price rises occur because of inflation. China has incurred financial deficits for several years running. The supply of money has grown faster than the demand for money in circulation. An excess of banknotes exists in the market. Commodity prices have risen, but only by a small margin, because ours is a planned economy. 1) Purchasing prices of grain and other agricultural products are higher than their selling prices, and the difference is subsidized by the state. Thus, prices of people's daily necessities are basically stable and the stability of people's livelihood is guaranteed. 2) Generally, there have been no major price rises throughout the country, but have been some price increases and decreases. The extent of a price rise is limited by the state planning mechanism and administrative intervention. The workers' standard of living might be affected by a price rise. However, their standard of living is not only based on the level of prices but also on the level of their wages. In China, owing to adjustment of wages, issuance of bonuses, increase in employment and other factors in recent years, the growth of the per capita wage income of workers' families is higher than the growth of commodity prices.

Since 1979, we have raised the prices of agricultural and sideline products in a planned way. This was done in order to achieve price parity between industrial and agricultural products. It was not prompted by an excess of circulating money. These price adjustments are beneficial to rapidly recovering and developing agricultural production and to improving supply to urban residents and is of positive significance. Therefore, while observing and determining whether the amount of money circulating in market is reasonable, it is unadvisable to only examine the increase and decrease in the volume of money supply. This should be concretely analyzed by linking production with circulation.

Credit inflation is closely related to currency inflation. In Western capitalist countries, currency circulation includes two aspects--cash circulation and noncash settlements. There are no limits to the settlements of capital by account transfer or cash payments. So, credit inflation and currency inflation are, in fact, one and the same. Currency circulation in China only refers to cash circulation, and does not include noncash settlements. However, because money is put into circulation through credit procedures, the balance between the amount of cash put into or withdrawn from circulation depends on the balance between the inflow and outflow of credit funds. On a nationwide level, withdrawal of money from circulation means that the credit inflow volume is larger than the credit outflow volume; putting money into circulation means that the credit outflow volume is larger than the credit inflow volume. The balance of inflow and outflow of credit coincides with the balance of inflow and outflow of cash. In the past, owing to the interlocking of finance, credit and cash, capital construction pressed for finance and finance pressed for credits, so deficits in credit funds were covered by increasing the amount of currency issued. Under this system of fund management, if credit inflation occurs, currency inflation will certainly follow. But credit inflation and currency inflation are two different concepts. On the credit balance sheet, the volume of credits is equal to the volume of deposits plus the volume of currency issued. The increase and decrease in the volume of credits reflects the increase and decrease in the volume of deposits and the withdrawing and depositing of cash. Therefore, credit inflation might simultaneously take the forms of account transfers and cash payments, while currency inflation generally refers to an excessive increase in cash payments. In order to prevent credit inflation, the relationship between credit and currency should be properly handled, and the comprehensive balance of finance, credit, materials and foreign exchange should be maintained.

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SEVERAL QUESTIONS WHICH CALL FOR ATTENTION IN LITERARY AND ART CREATION AT PRESENT

Beijing RED FLAG in Chinese No 7, 1 Apr 82 pp 29-31, 43

[Article by Wen Hua [5113 6895]]

[Text] Socialist literature and art must be improved and developed through a continuous process of practice and summing up of experience. In recent years, literary and artistic creation has flourished, bringing about a situation that has rarely been seen since the founding of the PRC. In the second half of last year, comrades in literature and art circles began to study and implement the spirit of the Central Committee's forum on questions on the ideological front, earnestly carrying out criticism and self-criticism in a comradely and realistic manner. In addition to affirming the achievements and mainstream of this development in literature and art, on the question of overcoming and preventing the mistaken tendencies of bourgeois liberalization, they reached a basically unanimous understanding, exchanged ideas and strengthened unity, creating conditions that are conducive to the further flourishing and healthy development of literature and art.

These studies and discussions have played an important role in the development of our country's socialist literature and art. One of the most outstanding results is the fact that we have had to draw a clear distinction between right and wrong on certain basic questions of literary and artistic creation.

1. A number of literature and art works describing social life during the "Great Cultural Revolution" have appeared since the smashing of the "gang of four." These works have played a positive role in understanding this internal disorder that brought serious calamity to the party, the state and the people of all nationalities and in understanding the essence of the Lin Biao and Jiang Qing counterrevolutionary cliques. However, an outstanding problem that exists in a few of these works is that they are unable to draw a clear distinction between, on the one hand, Lin Biao and the "gang of four," and on the other hand, the party, the state and the socialist system. As a result, objectively they have varying degrees of bad effects on the party, the people's regime, and the socialist system.

It should be noted that, although Lin Biao and the "gang of four" seized a considerable amount of the state's and party's power during the "Great Cultural Revolution" and invariably waved the banner of the party and socialism to justify their perverse acts, they were in fact a diseased growth on the body of the party and the socialist system. Lin Biao and the "gang of four," along with the serious calamity they brought on the people, were certainly not products of the party and the socialist system itself. On the contrary, they were the enemies of the party and socialist system of the working class. While they may have prevailed for a while, in the end they did not and could not escape the punishment of history. Once the victory against them had been achieved, it was inevitable that our party and socialist system should move rapidly into a new historical period. This is the true face of Chinese history during and after the "Great Cultural Revolution" and is also something that our party, and the people of all nationalities, including workers in literature and art, have come to understand through the summing up of the experiences of this historical period. As the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" pointed out, "Although we suffered from sabotage by the counterrevolutionary cliques during the 'Cultural Revolution,' we won out over them in the end. The party, the people's political power, the people's army and Chinese society on the whole remained unchanged in nature." These highly complex social and historical phenomena occurred under very special conditions and some authors have failed in their efforts at artistic condensation and judgment, believing that the "Great Cultural Revolution" represented 10 years of fascist dictatorship, during which time the state's political power was completely in the hands of the "gang of four." This mistaken understanding has meant that their works paint a very dark picture of the social reality during that time, giving no hint of either the reactionary nature of the Lin Biao and Jiang Qing counterrevolutionary cliques or the historical trend which was to result in their eventual downfall and offering no insight into either the struggle of the party and the people of all nationalities or the inevitability of their final victory. The inability to grasp the true nature of society in a correct and comprehensive manner has prevented a small number of authors and artists from correctly understanding and expressing the most profound and inherent truth of the age that "our people are a great people and that our party and socialist system have enormous vitality." It seems that a summing up of both the positive and negative experiences and lessons of literary and artistic creation and a deep study and appreciation of the "resolution's" scientific analysis of the "Great Cultural Revolution" will contribute significantly to the improvement of artistic and ideological standards in this type of creative activity.

2. Practice has proved that pursuit of special privileges and bureaucratism are, in the entire ranks of revolutionary cadres, only partial and temporary phenomena which can certainly be overcome by the forces of the party and the people's regime themselves. In observing life, selecting material, refining plots and portraying characters, writers and artists should take a stand that conforms to the basic interests of the party and the people. Moreover, through their own creative work they should be able to play a positive role in improving party work style and work and in promoting socialist modernization. However, an important point that needs to be put forward here is that

it is essential to clearly distinguish the fundamental differences between the old and new social systems and between the party's cadre force and the very small number of degenerates and speculators who have worked their way into it. The socialist system is incompatible with the phenomena of pursuit of special privileges and bureaucratism. Our cadres are certainly not bureaucrats of the old system; they are the people's servants and communists who devote their all to the cause of liberating the whole of mankind. Otherwise, there could be no new China in which the people are masters, and there could be no victory for socialism in China. It is absolutely essential to mercilessly expose the small number of degenerate elements and speculators. However, there is no basis at all for maliciously uglifying and launching unbridled attacks on good comrades who have shortcomings or going so far as to paint a dark picture of the entire party and cadre rank. There is a school of thought which believes that those within the party have come to form a "privileged class"; maintaining that only artists have a "conscience" and that politicians have no "conscience." No matter what an individual author's motives may be, any work which is written on the basis of such thinking will be basically contrary to historical facts. Our party and the people of all nationalities earnestly hope that writers and artists will be able to shift the focus of their creative activities toward the ongoing struggle, to build a new life. To say that this represents a ban or a disguised ban on any writing dealing with privilege and bureaucratism reflects a serious misunderstanding of the situation. There is still a dark side to our life and not a single day passes without the party and the people having to struggle against these dark aspects, including privilege and bureaucratism. The task put forward by the Central Committee of struggling against corruption is further proof of this. Two years ago, Comrade Hu Yaobang's "speech at the playwright forum" clearly pointed out that "our party has already resolved to solve the problems of bureaucratism and privilege and is currently adopting measures to this end. The party dearly hopes that comrades in literary and art circles will join us in adopting the correct policy, using literary and artistic creation to expose and overcome bureaucratism and privilege seeking." This is both the sacred right and the unshirkable responsibility of socialist artists and writers. Faced with the various problems for which the party and people show concern, our writers and artists must not close their eyes to any of the backward, negative and ugly phenomena that confront them. Rather than remaining silent, they should bring the indispensable critical functions of socialist literature and art into play in a real and effective manner. In fact, in all areas of artistic creation--novels, films, plays and poetry--there have been a considerable number of successful works which have had the correct ideological viewpoint, shown great artistic creativity and adopted the correct method in exposing and opposing all types of unhealthy trends, including privilege-seeking and bureaucratism. The party and the people have, of course, shown great interest in and welcomed these works.

3. Since the smashing of the "gang of four," we have sharply criticized all kinds of expressions of the personality cult in the literature and art field. Take the ideological stand of Marxism, for example. A number of writers and artists have used the form of literature and art to expose the complex, multifaceted political and historical causes of "overconcentration of party

power in the individual, and the growth of autocracy in the party and of personality cults," to help people to draw the necessary lessons. This is very significant. But of course, not all works which deal with this subject and theme have the correct stand, viewpoint and method, nor do they all express a rigorous creative attitude and a sense of revolutionary responsibility. Certain works take a one-sided and vulgar view of the problem and use insinuations and satire to describe the proletarian revolutionary leaders, especially Comrade Mao Zedong, as symbolizing "monarchical power" and "divine rights." This leads to distortions of history. "Comrade Mao Zedong was a great Marxist and a great proletarian revolutionary, strategist and theorist. It is true that he made gross mistakes during the 'Great Cultural Revolution.' But, if we judge his activities as a whole, his contributions to the Chinese revolution far outweigh his mistakes. His merits are primary and his errors secondary. He rendered indelible meritorious service in founding and building up our party and the Chinese people's Liberation Army, in achieving victory in the cause of liberation of the Chinese people, in founding the People's Republic of China and in advancing our socialist cause. He made major contributions to the liberation of the oppressed nations of the world and to the progress of mankind." Every writer and artist who seeks to express this solemn and important theme and subject should use the "resolution's" scientific and factual assessment of Comrade Mao Zedong's historical position as an ideological guide. Several writers have recently tried to sum up lessons and experience in this area in the light of their own creative practice. This has been of enlightening significance in the question of how our literary and artistic creation should solve the relationship between opposition to personality cults, on the one hand, and correct treatment of revolutionary leaders, on the other.

4. In the past there was a simple tendency among our creators of literature and art to completely ascribe a person's social nature to his class nature. This tendency has been criticized and has started to be corrected in practice. In recent years bringing order out of chaos on the theoretical level has led to the appearance of a group of successful works guided by the Marxist world outlook which express concretely the richness and complexity of human society. However, a number of works preaching abstract human nature have also appeared. This is mainly expressed in the following ways: 1) observing life and history from the viewpoint of abstract human nature and defining the struggle between the masses under the Communist Party's leadership and the "gang of four" as a struggle between human nature and antihuman or animal nature; 2) making vigorous efforts to seek beautiful human nature in class enemies or reactionaries, blurring the distinction between the enemy and ourselves and even making "human nature" and "human feeling" an excuse for defection to the enemy, treason and other treacherous acts; 3) preaching that abstract human nature is the lever of history and the motive force by which mankind can hold together and society can develop; 4) holding that the revolutionary war and land reform waged under party leadership and even the socialist system itself depress and ruin human nature; 5) in theoretical circles, confusing a person's nature with his natural properties and abilities. As a result of this, people have begun to believe that "writing about emotion means writing about love, and writing about love means writing about sex." Such a viewpoint and tendency has, in reality, only opened the way

for vulgar works advocating "sexual emancipation" and promising sensual excitement. There is an urgent need for further analysis, study and criticism of such a viewpoint and tendency.

5. Serving the masses and socialism is the fundamental orientation of our literature and art. The reason that literary and art creation has been able to achieve such outstanding results and to win the support and praise of the broad masses of the people in recent years is that, through the accurate portrayal of people's lives, this creation has expressed the thinking, the emotions, the aspirations and the demands of the people. Serving the people means regarding the people as an entity and as a decisive factor stimulating the advance of history, and means serving the people's fundamental interests and desires. Hence we certainly cannot separate serving the people from party leadership and the socialist system, nor can we set them against each other. However, certain literature and art workers claim to be the people's spokesmen on the one hand and adopt a posture of opposing "the politics of government" and "official politics" on the other. There are others who announce that they will stand on the side of the people whenever any conflict emerges between the party and the people. However, it can be said with certainty that any attempts to drive a wedge between the party and the people or any attempt by the so-called representatives of the people to deviate from the party and the socialist system will inevitably come to naught. We can also say with certainty that the people have no need for such representatives. The ideological sentiments expressed in the works of those writers who profess to "stand resolutely on the side of the people" are invariably those of individualism and anarchism. The people openly decided long ago whether such ideological sentiments are beneficial or damaging. There are also some writers who regard "box-office value" as the sole criterion for judging whether the masses are being served well or badly. In fact they are just catering to and satisfying vulgar and backward emotions and interests not yet overcome by a part of the masses. This is quite different from truly serving the people. Comrade Mao Zedong pointed out 40 years ago that, "undertakings which truly serve the masses of people are now certainly under the leadership of the proletariat." History has borne witness to the truthfulness of this judgment. Only those writers and artists who uphold the four basic principles will ever become true representatives of the people's interests and will ever be able to create good works that suit the basic interests of the broad masses of the people.

6. In literature and art creation, reflecting the essence of life should be the meaning of the task "writing about the truth." So-called artistic truth, however, does not refer to the simple copying of the phenomena of life, but to using living artistic images to expose the inherent connections and objective trends that exist in and between objects. In literature and art theory and practice, some people set "writing about truth" against "writing about the essence" and confuse "writing about the essence" with embellishing life and advocating "hiding the truth and deceiving people." This both violates the Marxist theory of cognition and also belittles and twists the truth of literature and art. Just as the affirmation of simple facts cannot be termed "truth," the naturalistic portrayal of the daily phenomena of life cannot be called "artistic truth." Artistic truth should be the reproduction

of the real essence of life. The most essential things, however, are always concealed by the superficial phenomena of daily life. Therefore, in order to achieve artistic truth one must explore and uncover the details and true meaning of life and condense them artistically. If one is incapable of seeing the "deep currents" of life and notices only the froth on the surface and the dress, and if one does no more than list life's phenomena, exaggerating catastrophic scenes and displaying only ugly phenomena, this will not only distort the true face of life, confuse people's understanding and create bad social effects but will eventually also bring into question the artistic content of the things described.

Our socialist literature and art are developing healthily. We firmly believe that so long as efforts are made to study, and regular attention is paid to guarding against and overcoming bourgeois liberalization and other unhealthy trends, our socialist literature and art will certainly be able to achieve even greater success. As a crude outline of several questions concerning creation, this article provides reference material for further discussion among comrades in literature and art circles. If there are places where the wording or analysis is either imperfect or simply erroneous, we sincerely hope that readers will offer their criticism.

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A BRIEF DISCUSSION OF THE THEORY OF 'NATURAL RIGHTS'

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[Article by Gu Chunde [6253 2504 1795]]

[Text] Not long ago, the theory of "natural rights" established by the bourgeois thinkers became one of the most important "theoretical" bases of the bourgeois liberal trends prevailing in Chinese society. Therefore, it is absolutely necessary to conscientiously observe and study the theory of "natural rights," expound the historical process of its emergence, development and progressive role, and point out its hypocritical and limited nature and its class essence.

I

The theory of "natural rights" was a product of historical development. It sprouted during the Renaissance in Europe. The 14th and 15th centuries marked the darkest period of feudal and autocratic rule in Europe. The feudal production relations severely hampered the development of the capitalist economy, and the feudal lords and churches brutally exploited the broad masses of serfs. The feudal state rule and the shackles of the church were unprecedentedly strengthened and class contradictions became increasingly acute. Under the trammels of the feudal production relations and the heavy oppression of the feudal hierarchy and church privileges, the oppressed classes were not treated as human beings. In particular, the bourgeoisie, which had emerged, did not possess any human rights. Those who were the representatives of commodities and currency lacked the freedom of carrying out commodity exchange and circulation, those who amassed enormous wealth were not allowed to enjoy comforts, and the masters of science and technology were brutally ruined. Hence, humanity, human rights, freedom and the emancipation of individual character naturally became the basic demands of the bourgeoisie. A fierce struggle between the bourgeoisie, feudal class and churches occurred in the ideological field. The Renaissance in Europe, which started in the 14th century and reached a high tide in the 15th century, was a concentrated manifestation of this struggle. Some early bourgeois thinkers ruthlessly attacked and repudiated Roman Catholicism and its decadent feudal ideology comprising mainly scholasticism and theology. They began to express their views on the rights of individuals from the angles of the reason, dignity and happiness of man. The ideological "natural rights" had already murkily developed, although they were not explicit. They ushered in the dawn of capitalism.

The theory of "natural rights" was formally established and developed during the period of bourgeois enlightenment in the 17th and 18th centuries. Those who initiated the theory included Hugo Grotius of Holland, John Locke of England and Jean-Jacques Rousseau of France. Proceeding from the rationality of mankind, they put forth for the first time the idea that the rights of individual freedom, individual happiness, acquisition of property and self-defense were innate and inborn in mankind, which even God could not deny, to counter feudal autocracy, feudal hierarchy and the theological concept that "power is granted by God." Grotius said that mankind was entitled to "natural rights." According to his interpretation, the contents of such "natural rights" included "life, freedom and property." Rousseau stressed that "every human being is born free and equal." They maintained that feudal rulers violated and sabotaged these rights of man and that people had the right to overthrow the feudal rule. According to inferences and hypotheses made by bourgeois thinkers, the so-called "natural rights" were nothing but basic rights enjoyed by people as human beings, that is, the rights of man. Their main contents included the right of existence, the right of freedom, the right of equality, the right of property, the right of self-defense, the right of resistance, and so forth. These rights are natural, eternal, universal, untransferable and inalienable and would never change regardless of time, place, nationality, background or environment. They came into being prior to the establishment of the state and law, or even the existence of mankind. The state and law could neither fix nor change them. This was the initial meaning of the theory of "natural rights."

The theory of "natural rights" reflected the characteristics of the capitalist production relations and represented the interests and demands of the bourgeoisie. Therefore, once it arose, it was accepted and welcomed by the bourgeoisie and became the theoretical basis of the bourgeoisie for repudiating the old order of feudalism. In the 17th and 18th centuries, the bourgeois revolution erupted in England, America and France. "Natural rights" became the basic contents of the political program of the revolutions. The "Declaration of Independence" of the United States and the "Declaration of the Rights of Man and of the Citizen" of France, issued in 1776 and 1789 respectively, were permeated with the principle, spirit and contents of the theory of "natural rights." The "Declaration of Independence" explicitly says: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their 'creator' with certain inalienable rights, and that among these are life, liberty and the pursuit of happiness." The "Declaration of the Rights of Man and of the Citizen" explicitly proclaimed: "All men are born free and equal in rights," "The purpose of any political integration is to preserve the natural and unshakable rights of man. These are rights of liberty, property, safety and resistance to oppression." The "declaration" particularly emphasized: "Property is a sacred and inviolable right." After the victory of the French bourgeois revolution, a number of constitutions were drawn up. Each constitution continued to affirm the principle of "natural rights" and stated that the principle of the "Declaration of the Rights of Man and of the Citizen" should be "scrupulously observed." At present, the basic rights of man and citizens have been stipulated in the constitutions of a number of bourgeois countries in the world. Hence, "natural rights" not only originated from natural law, but were also recognized and affirmed by substantive law. At that time, the implications and contents of "natural rights" were more extensive than when they were first established, because they actually included various basic rights of the citizen.

It is obvious that the theory of "natural rights" has become not only an important content of the bourgeois democratic system, but also its theoretical basis and the dogma which the bourgeoisie believes. In spite of the fact that the specific implications and contents might change in this way or that, its bourgeois character will never change.

II

The theory of "natural rights" in opposition to theocracy and monarchical power did play a fairly great progressive role in opposing the rule of feudal autocracy. However, we should realize that although the theory of "natural rights" flaunted the banner of the interests of common people, it actually represented and reflected the rights and interests of the bourgeoisie. Marx pointed out sharply that "natural rights" were actually the privileges of the bourgeoisie because their nucleus was the right of property. In a capitalist society, such rights can only be monopolized by the owners of capital. Marx also profoundly stressed: "Equally exploiting labor force is the main human right of capital." ("Collected Works of Marx and Engels," Vol 23, p 324) He affirmed that the relations of exploitation between capitalists and laborers, safeguarding the bourgeois rights of private property, and ensuring the capitalists' rights of freedom in trade and exploitation were the class essence of the theory of "natural rights."

Furthermore, the theory of "natural rights" is an out-and-out bourgeois idealist conception of history because, first of all, this theory regards human rights as "natural." This has distorted the historical cause for the formation of human rights. The Marxist theory of the state and legal theories tells us that the so-called rights refer to certain rights and interests which law bestows on people and that those who enjoy these rights are entitled to act in a certain way and demand that other people react accordingly. Rights and duties complement each other and are closely related. "There are no rights without duties nor duties without rights." ("Selected Works of Marx and Engels," Vol 2, p 137) They emerge, exist and develop simultaneously. Rights are neither innate nor exist naturally, nor are they created or bestowed by God. The establishment of rights is closely connected with the formation of class, state and law. Before the occurrence of class, state and law, no such thing as the exploitation of man by man could or would exist in primitive society. Therefore, the situation of some people having rights and some others not having rights could never occur. Just as Engels said: "Within a clan system, there was no difference between rights and duties." ("Collected Works of Marx and Engels," Vol 21, p 180) It was only after the occurrence of the exploiting and exploited classes and the formation of state and law that rights and duties were differentiated and set against each other. "It seems that all rights have been bestowed upon a class and that all duties pushed on another class." (ibid., p 202) It is obvious that no human rights are innate, but are all recognized, stipulated and endowed by the state and law.

Moreover, owing to the fact that the theory of "natural rights" regards human rights as "eternal" and "fixed and unalterable," it negates the objective law of the development and changes of the rights of man. Dialectical materialists maintain that all things in the world are constantly on the move, developing and changing. Nothing is eternal, fixed, unalterable or absolutely static. Rights as social phenomena are no exception. It is absolutely impossible for "eternal" and "fixed and unalterable" rights to exist. Man is neither isolated nor unrestrained. Man is a summation of social relationships. In a class society, any man as a member of a class finds himself in such a social relationship. The position of "man" in the social relationship is constantly changing. In the meantime, the nature, contents and scope of rights are also continuously developing and changing. The development and changes of rights are determined by economic conditions and the nature of the social system. Rights of a different nature will occur under different economic conditions and sociopolitical systems. At the same time, the scope and contents of rights of the same social nature will also change. "Natural rights" are rights of a capitalist nature, and their contents and scope are not the same in different stages of capitalist development. Negating the changes and development of the contents and scope of rights is a metaphysical view. Rights belong to the category of superstructure, and their existence and development cannot be separated from or exceed the material conditions and scientific and cultural level of the society. Just as Marx pointed out, "Rights can never exceed the economic structure of the society or the cultural development of the society restricted by the economic structure." ("Selected Works of Marx and Engels," Vol 3, p 12) If we talk about rights without taking into consideration the nature of the political system or the economic conditions and scientific and cultural level of the society, we will not only fail to truly bring to light the objective laws governing the development of rights, but also obliterate the class nature of rights and are liable to lapse into the quagmire of idealism. The stipulations of law on rights cannot be arbitrarily decided by legislators, because economic and cultural conditions, class contradictions and class struggle have to be taken into account. The exercise of rights has to be guaranteed not only by a constitution and laws but also by fundamental material conditions. If we only proclaim or stipulate certain rights in a constitution and laws without reliable economic and cultural conditions as a basis and guarantees to ensure their realization, all these rights can only be empty phrases which cannot be realized.

Furthermore, the theory of "natural rights" regards the rights of man as "absolute" and "unrestricted." Such a view distorts the characteristics and attributes of the rights of man. Facts have proved that absolute and unrestricted rights never occur. Even the founders of the theory of "natural rights" could not deny this. Spinoza admitted that people's freedom of speech should not go beyond the limit of disturbing the tranquility of society and harming the authority of the rulers. Montesquieu said more directly: "Political liberty does not mean that people can do as they please," "Liberty means that people can only do what is permitted by law." ("On the Spirit of Law," Vol 1, p 154) While proclaiming "natural rights," the "Declaration of the Rights of Man and of the Citizen" also restricted these rights, saying: "Liberty refers to all acts which do not harm other people," "The enforcement of each individual's natural rights should be confined within the limits that other members of the society can also enjoy the same rights." All these expositions and stipulations show that rights are neither absolute nor unrestricted. They always have strings attached and restraints. In a capitalist society, rights are limited to the scope of the interests of the bourgeoisie and the "scope permitted by the law" of the bourgeoisie. They are not allowed to hamper the bourgeois rights of property, rights of politics and ruling order.

Lastly, it is because of the fact that the theory of "natural rights" regards the rights of man as "universal" that it conceals the class nature of the theory. Since the establishment, existence and development of rights are connected with class and they are bestowed by the state and law, they cannot be "universal" and treat all classes equally without discrimination. In a class society, "man" does not transcend classes and national boundaries, but belongs to a certain class and nation. Any rights of man are rights of class, which are characterized by a distinctive class nature. The theory of "natural rights" replaces man belonging to a class with abstract "man" and the class nature of rights with the "universality" of rights. All this fully exposes the hypocrisy of this theory. In a capitalist society, rights are based on the antithesis between classes. The bourgeois state and law protect the rights of the bourgeoisie, and restrict and expropriate the rights of the proletariat. The rights of man and other democratic rights stipulated in the constitutions and laws of bourgeois states are true for the bourgeoisie and can be realized. The reasons are simple. It is because the bourgeoisie controls state power, wields the power for formulating and enforcing the law and possesses the means of production and all material conditions for exercising democratic rights. It relies on the state power to maintain its property relationships and rule of capital. Owing to the fact that the proletariat and the laboring masses do not possess any of these things, to them rights stipulated in laws are no more than empty talk which cannot be realized. The reason why bourgeois countries contain such high-sounding stipulations in their constitutions and laws is to deceive the proletariat and the laboring masses, mitigate the contradictions between the proletariat and the bourgeoisie and do some window dressing for the democracy and freedom of bourgeois nations. In the final analysis, their purpose in doing so is to maintain the reactionary rule of capitalism. Right from the first day when the bourgeoisie made its promise to the proletariat and the laboring masses, it never intended to make good this promise. On the contrary, it tried by hook or by crook to restrain and prevent the proletariat and the laboring masses from exercising their rights of democracy and freedom by utilizing its constitutions and laws. More and more such restrictions have been imposed. For example, the present U.S. federal law explicitly stipulates that nobody is allowed to use freedom of speech and of the press to "harass society" and propagate "violent revolution." With regard to the right to vote, many restrictions have been imposed, including the level of education, property conditions, length of residence, and so forth. The government can at any time use administrative orders to deprive the laboring people of their basic rights. Under such circumstances, it is difficult for the proletariat and the laboring masses to exercise their democratic rights which will protect their class interests, but also harm the interests of the bourgeoisie. Therefore, while using the rights of democracy and freedom and various civil rights stipulated in the constitutions and laws of the bourgeois countries to carry out "legal" struggle against the bourgeoisie and strive for the improvement of their political status and living conditions, the proletariat and the laboring masses should not be misled by the false appearances of bourgeois democracy and freedom. They should constantly raise their class consciousness and carry out their struggle to overthrow the reactionary rule of the bourgeoisie.

In a word, the rights of man are not "natural," but conferred and stipulated by the state and laws; the rights of man are not universal, but characterized by distinct class nature; the rights of man are not abstract, but specific; the rights of man are not absolute, but restricted by laws and ethics; the rights of man are not eternal, fixed and unchangeable, but their nature and applicable scope change as man's role in the material productive conditions and position are constantly changing. Different countries with different social systems have rights of different class characters. This is the basic viewpoint of Marxism-Leninism on the rights of man, which is sharply antagonostic to the theory of the "natural rights" of the bourgeoisie.

III

It is true that Marxists do not deny human rights altogether, but adopt an attitude of historically and specifically analyzing them. In the present-day world, "human rights" have become a popular slogan which is widely accepted by various countries and a tool for carrying out modern international and political struggle. With the progress of history, the concept of human rights has also undergone a new development. For example, in the past 10 or 20 years, the newly emerging countries--the Third World--have put forth a series of rights upholding national self-determination, defending the independence and sovereignty of nations, developing the national economy, freely dealing with various countries' wealth and natural resources, opposing foreign aggression, oppression and plunder, and demanding that a rational and new order based on the equality of various nations be established in international economic relations. All this has infused new contents into the concept of human rights. It has occurred as the opposite of imperialism, colonialism, racism and hegemonism and marks an important development of the traditional concept of human rights. This has further developed the concept of human rights. Of course, we agree to such a progressive concept of human rights and support the international struggle based on it.

In building socialist democracy, we should adopt an analytical and critical attitude toward the traditional concept of human rights, which was smashed by the emerging national and democratic movement as early as after World War II. We should interpret human rights in a way which conforms with Marxist principles. Moreover, we should use more scientific and truthful concepts--the rights of citizens--to expound our country's view on human rights. However, some people appreciate the theory of "natural rights" as a gem, saying that "man is born with the right to democracy and freedom" and that "absolute freedom of thinking and speech should be guaranteed." Some people even advocate that the bourgeois multiparty system and parliamentarism and election system be introduced to socialist China. They believe that the "socialist system is not as good as the capitalist system" and that "socialist democracy is inferior to bourgeois democracy." To them, Marxism-Leninism-Mao Zedong Thought no longer works and what they do is seek help from the bourgeois theory of "natural rights." The reason for the occurrence for this ideological trend is: During the 10 chaotic years, the Lin Biao and Jiang Qing counterrevolutionary cliques sabotaged the socialist democratic system and this ideological trend is a kind of historical punishment. Apart from that, in recent years, some people have been influenced by bourgeois ideology from abroad. Actually, the Chinese people had experience of the theory of "natural rights" long ago. Early this century, when Marxism had not yet been disseminated in China, Chinese bourgeois thinkers introduced the theory of "natural rights" to China from Western countries as a "new learning." They tried to use this theory to rescue old China, which was dark and backward, and establish a bourgeois republic. What was the result? Their efforts ended in failure. People who know a bit about modern Chinese history have probably not forgotten this. The theory of "natural rights" did not work in old China, let alone in the new period of socialism. If the theory of "natural rights" is preached again, does that not mean a great retrogression of history?

It is undeniable that there is room for improvement in our country's socialist superstructure and there are some shortcomings in certain aspects of our state system. However, what strength should we rely on to eliminate these defects? We should only rely on the strength of the socialist system and the broad masses of people and the leadership of the Communist Party and the guidance of Marxism-Leninism-Mao Zedong Thought, bring into full play the role of socialist democracy and improve the socialist legal system. We should on no account seek help from the bourgeois theory of "natural rights." Since the 3d Plenary Session of the 11th CCP Central Committee, the party and government have adopted a series of effective measures and done a lot of work to carry forward socialist democracy and improve the socialist legal system. We have reexamined and redressed throughout the country a great number of false charges, wrong sentences and frame-ups; implemented policies for cadres, intellectuals and nationalities and other policies; and strengthened the work of the people's congresses at all levels, established permanent organs for the people's congresses at the provincial and county levels, and established direct elections for people's deputies at and below the county level. We have restored and improved staff members' representative assemblies and drawn the masses to participate in state affairs, economic and cultural affairs and the affairs of social development. We have carried out criticism and self-criticism in the press and strengthened the masses' supervision over the organs of the party and government and their working personnel. We have strengthened legislative and judicial work and enacted a series of basic laws, including criminal law, law on criminal procedure, law on civil procedure, law on economic contracts and so forth. Our country's legal system is being gradually improved. The execution of these measures has guaranteed people's democracy and expanded their rights of being the masters of their own affairs. In particular, the "Guiding Principles for Inner-Party Political Life," adopted by the 6th Plenary Session of the 11th CCP Central Committee, has stressed that our country "will gradually build a highly democratic socialist political system" and that the building of the state organs at all levels should be strengthened in accordance with the principle of democratic centralism so that people's congresses at all levels and their permanent organs will become authoritative organs of state power of the people. We should gradually promote people's direct democracy in basic-level organs of state power and social life and exert great efforts to develop the laboring masses' democratic management in production. All this incontrovertibly proves that only the socialist system can ensure the full exercise of the people's various rights. It will not work and can only become frivolous and fantastic talk if we deviate from socialist democracy and the legal system and socialist modernization to talk about the problem of human rights.

Our country's socialist democracy is being strengthened and developed. It is, in essence, far superior to bourgeois democracy. It ensures the democracy of the majority of people to be the masters of their own affairs. Socialist democracy is democracy in both name and reality. The idea that "socialist democracy is not as good as bourgeois democracy" is a groundless bias. We firmly believe that in the struggle of the people of the whole country for building socialist material and spiritual civilization, our country will continue to expand the people's democratic rights and establish the most extensive and beautiful socialist democracy of mankind.

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STRENGTHEN SOCIALIST EDUCATION IN THE COUNTRYSIDE

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[Article by Fan Kang [5400 1660]]

[Text] In the rural areas of our country, the implementation of the principles and policies worked out since the 3d Plenary Session of the 11th CCP Central Committee, and particularly the recent years of extensive practice of the various forms of production responsibility system, has aroused the enthusiasm of the masses of peasants; grain production and the diversified economy have been rapidly revived and developed and the livelihood of the overwhelming majority of the peasants has been improved in varying degrees. This is a situation that has not been seen for many years. However, at the same time we must see that this is just a beginning, the foundation has still not quite been consolidated, and quite a few new contradictions and new problems have surfaced. Therefore, it is imperative to continue to exert arduous efforts, strengthen investigation and study, work in a down-to-earth manner, and especially give more effective leadership to the ideological position and do more extensive and thorough ideological and political work among the broad peasant masses.

What is the basic task of the ideological and political work of the CCP in the rural areas at present? Briefly, it is to persevere unremittingly in carrying out socialist education among the peasant masses.

The vast numbers of peasants have consistently held an important position in the Chinese revolution and construction and have made and are continuing to make their unique important contributions. Since the founding of the PRC, our party has adopted a series of correct policies and measures and led the hundreds and millions of peasants in taking the socialist road. There is no doubt that the broad peasant masses have a reservoir of enthusiasm for socialism. Then does this mean that we need no longer carry out socialist ideological education among the peasant masses? That is really not so. China is a big country with a history of more than 2,000 years of feudalism. The influence of the ideology and habits left over by the age-old mutually separated individual economy is deep-rooted in the rural areas. At the same time, because of the "leftist" mistakes committed in our guiding ideology in the past, and particularly the sabotage carried out for years by the Lin Biao and Jiang Qing counterrevolutionary cliques, egalitarianism, poverty, unitary system of the means of production and the single-product economy, excessively rigid control, and so on, were regarded as the so-called essential properties of socialism and the peasants were forced to accept them, thus bringing about great confusion in people's minds. Over the past few years, in encountering this state of affairs, our party has resolutely brought order out of chaos and established the production responsibility system, a new form of operation and management, in the light of the need for reviving and developing production. This is a great change in the countryside. Quite a few people have failed to follow up ideologically, or they have misunderstandings, doubts and misgivings in one respect or another, which can be summarized in incisive questions: Is what is being practiced now aimed at practicing socialism? Do we still need to practice socialism? Practice demands the party of the working class to frequently give ideological and political education and provide correct guidance to the peasants. The rural party committees at various levels must frequently imbue the peasant masses with correct but not distorted socialist ideas (including the socialist road, socialist policies and the future of socialism) with specific objects in mind and help them more conscientiously continue to forge ahead along the path charted by the 3d Plenary Session of the 11th CCP Central Committee.

In the light of the actual situation at present, in carrying out socialist education, we must concentrate on the following tasks:

First, extensively and thoroughly propagate the correctness, great significance and socialist nature of the principles and policies of the CCP Central Committee since its third plenary session.

The vast numbers of peasants all understand that the improvement of their livelihood over the past few years is the product of the party's principles and policies since the 3d Plenary Session of the 11th CCP Central Committee. During the 10-year turmoil, there was a peasant in a rural area of northwestern Shandong Province who toiled all the year round without enough to eat and wear. He sought divine advice and promises year after year, but life for him still did not show the slightest improvement. The new policies formulated by the 3d Plenary Session of the 11th CCP Central Committee, especially after the implementation of the production responsibility system, enabled his family to come into their own economically at a rapid pace and to embark on the road to prosperity. After the autumn harvest last year, seeing that their house was full of grain and cotton, his daughter-in-law teased him: "Dad, are you still going to seek the advice and help of gods this year?" The old man cheerfully answered: "Oh, no, no. We must attribute all we have today only to the 3d Plenary Session of the 11th CCP Central Committee!" Look, the old man in a remote district also knew that his prosperous life was the result of the correct policies of the CCP. The "leftist" rural policies practiced during the "Great Cultural Revolution" brought about one result, and today's correct rural policies have produced another result. Contrasting these two results, the peasants have a very clear idea in their minds. We must firmly grasp this favorable opportunity and adopt various vivid and vigorous as well as concrete and effective forms to propagate the party's rural policies, and particular stress should be put on the socialist nature of these series of policies so that the peasants can see through their own immediate interests the brilliant prospects of the socialist collective economy and have a deeper love for socialism.

At present, because the remnants of "leftist" ideology are still playing a role, some cadres of the communes and their subdivisions regard one or two concrete forms of the production responsibility system (such as the system of fixing output quotas for individual households and that of assigning the households full responsibility for task completion) as the practice of dividing the fields and working alone and as retrogression to the old society and oppose and obstruct them as a result. Owing to the ideology and habits left over by the old society, some peasants consider the production responsibility system as a practice of "everyone looking after himself" and as nothing to do with socialism. Although these two kinds of erroneous ideas vary to some degree, they all stem from the misunderstanding of our policies. Our party's ideological work must have a definite object in view. At present, efforts must be concentrated on eradicating these misunderstandings. The overwhelming majority of the peasants are very happy about the present policies, but at the same time, they are afraid that the policies might change at any time. So, some of them go to the entrance of their villages to wait for newspapers every day. This idea of being afraid that the present policies might change at any time is, of course, related to the mistakes existing in our work on the one hand and is caused by the fact that they have an insufficient understanding of the socialist nature of the present policies, do not feel secure about the present policies and thus lack the proper steadfastness on the other hand. We must clearly state that the production responsibility system is only a change in the operation and management of the socialist agricultural collective economy and it does not touch on the system of collective ownership of the basic means of production. Take, for example, the system of assigning to the households full responsibility for task completion. It is a relationship of a contract between the peasant households and the collective, a relationship which is based on the system of public ownership of land. This system puts land, large-scale farm machines and tools and water conservancy facilities under the unified administration and use of the collective, accepts state planning and guidance, has certain public deductions, arranges the livelihood of the families of armymen and martyrs, the households enjoying the "five guarantees" and the families with material difficulties in a unified way, and in some cases it carries out agricultural capital construction in a unified plan. So it is a component part of the socialist agricultural collective economy rather than the individual economy of small private ownership existing before cooperativization. Along with the development of the productive forces, it will develop and become a more perfect collective economy step by step. We must still clearly state that our party and government will uphold that the road of socialist collectivization, and that the system of public ownership of the means of production such as land will not change for a long period of time and that the implementation of the production responsibility system in the agricultural collective economy will not change for a long period of time. So, the peasants can set their minds at rest.

The rural grassroots party organizations generally attach importance to carrying out ideological and political education among the peasants. The problem is that some localities regard this ideological and political education only as a means of bringing a certain concrete policy into force (it is necessary). They more often than not judge the case as it stands and neglect to carry out such education on the higher plane of the whole socialist education. The purpose of any work we communists do is both to attain the current concrete goal and to fundamentally enhance the socialist consciousness of the masses. Putting one-sided emphasis on concrete work at the expense of the big goal of educating the peasants in what is of fundamental importance is a tendency of routinism, which we must take care to guard against and overcome.

Second, carry out the education of correctly handling the relations of the state, the collective and the individual in a regular and sustained way.

In the rural collective economy, the relations of the state, the collective and the individual are more distinctive than those in the national economy and are more fully manifested in the various aspects of production and livelihood. This requires us to constantly pay attention to studying and readjusting it. Practice has consistently put these problems before the party's ideological and political work and has demanded that we adapt ourselves to different conditions and adopt different forms to find correct answers. The introduction of various forms of the production responsibility system in the rural areas, and particularly the form of fixing output quotas for individual households and the form of assigning the households full responsibility for task completion, has all the more made the correct understanding and handling of the relations of the state, the collective and the individual become a fairly striking problem. Take, for example, the form of assigning the households full responsibility for task completion. It raises the formula: "Hand over the amount originally agreed upon to the state, reserve the full amount for the collective and the rest is all one's own." This is a formula for handling the relations among the three parties. There is inevitably a struggle of different ideas in this respect. The other forms of the production responsibility system put solutions to the problem of the relations of the state, the collective and the individual in their own ways, and there are also ideological contradictions of one kind or another in this respect. This is not in the least strange. This is because putting principles into effect invariably requires a complicated process and is usually not as direct and smooth as one would wish. In addition, people's ideological consciousness is not uniform and in this respect there is a distinction between the advanced and the backward; in terms of people's vision, there is a difference between the farsighted and the shortsighted. There is a lot of work to do in unifying people's understanding. Therefore, we must conduct ideological work in a thoroughgoing manner.

In order to educate and lead the vast numbers of peasants in correctly handling the relations of the state, the collective and the individual, it is necessary to uphold the principle of simultaneously taking the interests of the state, the collective and the individual into account and not to concentrate on one thing only. At present particular stress should be put on the following tasks: 1) Take the planned economy as the dominant factor and regulation by market mechanism as the supplementary factor. This fundamental principle is also applicable to the countryside. Giving play to the decisionmaking power of communes and their subdivisions must be carried out under the state's unified planning. Going beyond the orbit of state planning will directly or indirectly infringe on the interests of the state. That is entirely wrong. One of the important reasons for some localities unrestrictedly expanding the area sown to tobacco and reducing pig breeding is that the peasants do not pay proper attention to ensuring the fulfillment of state plans. We must repeatedly emphasize to the peasants that the economy can be reinvigorated only under the guidance of state planning. It is wrong to impose excessively rigid control over everything, but anything which should be carried out in a centralized way must be properly put under unified administration. The peasants are only allowed to carry out their activities within the bounds of state planning. This will be conducive to the long-term interests of the peasants and the state can smoothly carry out its construction as a result. Departing from the guidance of state planning to seek the development of the small collective and even that of the individual will inevitably damage the interests of the entire people including the collective and the individual. Naturally, it is essential not to indulge in harmful directives, but correct state planning is absolutely indispensable. Therefore, while implementing the production responsibility system, it is imperative to strictly observe state planning, resolutely perform production contracts in full and not to violate them in any sense of the term. To ensure the interests of the state, it is essential to strictly act according to the guidance of state planning and carry out the state purchases and assigned quotas without fail. Correctly handling the relations of the state, the collective and the individual must first find expression in this respect. 2) At present, some peasants are not so enthusiastic about making deductions to the collective and even refuse to fulfill their obligations. It is obviously wrong for them to lump together the practice of some cadres taking more than their share with collective deductions. The collective deductions we have referred to here partially include various fields, such as accumulation funds and public welfare funds. The necessary subsidies for cadres constitute only a tiny amount of collective deductions. All this is indispensable for consolidating the socialist collective economy. If the socialist collective economy is fundamentally shaken, the whole interests of the state will not be ensured and our personal interests will lose their backing. Therefore, we must never set the interests of the individual against those of the collective. The vast numbers of rural cadres assiduously serve the people and a considerable number of them are so devoted to public service as to forget their own interests. There does exist the phenomenon in which a tiny number of cadres take more than their share. Our party resolutely opposes this practice. It confuses right and wrong to equate collective deductions with the practice of cadres taking more than their share. Using opposition to the practice of cadres taking more than their share as an excuse to refuse to provide deductions to the collective is in fact the reflection of the selfish mentality of small production. People with these erroneous ideas are expected to make amendments through education. Concerning oneself with the interests of the collective and safeguarding collective property are the basic requirements for the socialist collective peasants. Particular attention should be put on this point. 3) At present, a small section of peasants concentrate only on personal gains. Consciously or unconsciously, they seek one-sided development of themselves by trying to separate the personal interests from the relations of the state, the collective and the individual, a relationship which is inseparable. Some of them even harm the collective or use the pretext of boosting the interests of the collective to fleece the state. This is a harmful tendency. We must adopt effective measures to correct it rather than let it go unchecked. The production responsibility system is a means of socialist operation and management. In both the system of fixing output quotas for individual households and that of assigning the households full responsibility for task completion, there are both unified administration, and contracting rather than exclusive contracting. What is fundamental and plays a decisive role is the socialist economy. This is a major premise which brooks no violation. It is inevitable that differences will emerge, in that some commune members will become prosperous earlier and some later and that there will be differences in varying degrees among commune members. People who have now become prosperous or highly prosperous must enthusiastically help, on their own accord, those who have material difficulties for the time being. They must only look after themselves, still less infringe on the interests of others and the state. The relations of mutual aid in unity between the people is one of the important indications of socialist society. Opposing selfishness and encouraging the idea of doing everything for the country and the public are precisely an important content of socialist education. We must consistently pay close attention to it.

Third, carry out education in maintaining social public security and improving social customs in a big way.

Over a period of time, in some places in the countryside there have been various disputes and contradictions and a strained relationship among a section of people. What brooks no neglect is that some phenomena of breaking laws and violating discipline have developed. While rejoicing at the development of production and the improvements of livelihood, the broad masses of peasants feel anxious only about the worsening social public security. We must not treat the voice of the masses with indifference. The rural basic organizations must give full play to the role of political power inherent in them and adopt effective measures in maintaining social public security. Of course, it is first necessary to carry out education in a widespread way, mobilize men and women, old and young in the countryside to bring the superiority of socialism into play and to wage resolute struggle against the crimes of a handful of people by relying on organized forces. In some places, and particularly in some coastal rural areas, where there is no regard for productive labor, some peasants engaged in speculation and profiteering and even smuggling, thus committing economic crimes. We must oppose the corrosive influence of bourgeois ideas and deal blows at all offenses against the law, which endanger the socialist system.

With regard to the various conflicts of interests among the peasant masses, we must widely build socialist spiritual civilization through activities such as the "rules and regulations for villagers" and "five-good families." Everybody is encouraged to foster good ideology and good work style, such as loving the country as one's own family, putting other people's interests ahead of one's own and helping each other in unity to build a new socialist countryside. Some of our comrades more often that not have a one-track mind and concentrate on one thing only when they begin to work. When they are called on to grasp production, they exclusively concentrate on production. They do not attach proper importance to the building of socialist spiritual civilization. They little imagine that without the building of socialist spiritual civilization, production will certainly suffer. Therefore, the education in maintaining social public security and improving social customs should also be taken as a consistent basic task of our party's ideological work in the rural areas.

It cannot be denied that the introduction of the various forms of the production responsibility system in the rural areas has caused some new problems, both in organizational forms and work methods, for the party's ideological and political work. Now, with regard to propaganda and education work among the peasants, we must do it in a more thoroughgoing, solid and practical way, with the aim of really seeking solutions to the various problems to which the peasants pay close attention and about which they have no idea. Ideological and political work like this will be really welcomed by the peasant masses. In some places in the countryside, cadres of certain production teams refused to take further part in collective affairs. Such being the case, the commune members organized themselves spontaneously and had "team activities" at a fixed time (say, a month or half a month) to keep abreast of state affairs and study the teams' own affairs. Facts have proved that the peasants concern themselves with state affairs and need ideological and political work. The problem is that we must find a new method suited to the new conditions. After substantially reducing the interference in economic matters, the rural party branch committees must exert more energy and effort on studying the ideological conditions of the peasant masses, studying the party's principles and policies and carrying out ideological education among the peasants in a way that suits the remedy to the case. After diverse forms of the production responsibility system were introduced, we had more, rather than fewer, backbone elements whom we could rely on. The basic party organizations must establish various forms of relations with them and arouse them to carry out vivid and vigorous socialist education among the peasant masses, closely centered on the main subject of continuing to implement the party's rural principles and policies and making further advances amid the already very good rural situation and prospects. In carrying out socialist education among the peasants, it is first necessary to strengthen the party ranks and rely on them in carrying out vivid and vigorous propaganda and education work among the broad masses.

Our party has accumulated rich experiences in the mass work which the party has carried out in the countryside for long years, the most important of which is the pressing need to give play to the exemplary role of party members and the vanguard role of rural youth. At present, some rural party members ask the party branch committees for assignment of tasks to carry out ideological work among fixed households of their own accord. With a sense of pride rarely seen for many years, some veteran party members who were enthusiasts in the years of the land reform and are now already 50 or 60 years old contracted to contact and arouse large numbers of peasant households to help the poor become prosperous and to foster healthy practices and drive out unhealthy ones. They have done their work successfully. By working independently, they have enhanced their ability and won the respect of the masses. Young people invariably constitute a dynamic force. They are highly energetic and full of vigor, and they are the ones least influenced by old conventions. Party organizations must organize them through the CYL and help them to give full play to their proper and great role in carrying out socialist education and in building a new socialist countryside. So long as the leading members of the rural grassroots party organizations take the lead and closely rely on the two forces--the vast numbers of party members and young people--and create various effective methods in practice, rural ideological work will certainly be carried out in a vivid and dramatic way and will bring about incalculable material results.

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CHANGE HABITS AND CUSTOMS AND MAKE THE ENVIRONMENT MORE BEAUTIFUL

Beijing RED FLAG in Chinese No 7, 1 Apr 82 pp 41-43

[Article by Yang Rupeng [2799 1172 7720]]

[Text] In carrying out courteous activities of the "five stresses and four points of beauty," the leading comrades of the CCP Central Committee have taken the lead and set good examples by participating in cleaning up and public health activities as well as by planting trees. But some people regarded these activities as a trifling matter and thought that it was unnecessary for leading comrades to take the lead and mobilize the masses. Are tree planting and public health activities important matters, and do they have any social significance?

The beautification program and public health activities are in the interest of improving the health of the entire nation. An environment that is covered with trees and shrubs, that is clean and beautiful, will help people to get rid of dirt, diseases, pollution, noise, and certain miseries and annoyances caused by natural calamities, and will improve people's physical well-being and make them happy and vigorous. The influence of the hygienic environment on the health of people is easy to understand. Marx said that public health work was important because this work would "protect the health and well-being of the labor force which is the basic source of all value." ("Collected Works of Marx and Engels," Vol 26, p 159) Comrade Mao Zedong also said that public health work was important because it was in the interest of production, work and study and in the interest of transforming the weak physiques of the Chinese people and making them healthy. This is an important matter directly related to the physical condition of the people, the strength or weakness of the country and the continuation of the nation; it is also related to maintaining social material production and spiritual production. Therefore, it is only natural that health be an important aspect of spiritual civilization. Under the cruel exploitation and suppression of the ruling classes before liberation, many of the urban and rural areas in our country were dirty and disease-ridden, and the people's physiques were very weak; the nation was called by some foreigners the "sickman of Asia." Following the establishment of the PRC, and owing to the concern of the party and the government and the efforts made by various health departments and medical personnel, health and disease prevention networks were set up at various levels and patriotic public health campaigns were carried out in depth. As a result, the health of our people has improved considerably, the average lifespan has increased, and the hygienic conditions in both rural and urban areas have been drastically improved. The great contributions of public health work in promoting the health of people across the country would have been unimaginable in the old China. But, at the same time, we must understand that it is a very arduous task to create a clean and hygienic environment and change the habits of paying no attention to health and courtesy. Therefore, it is necessary for us to carry out the "five stresses and four points of beauty" activities, carry out ideological education, and popularize knowledge about health and science so that people will be aware of the significance of paying attention to hygiene and of the serious hazards of not doing so. People must be mobilized to disseminate and persuade others to pay attention to hygiene--coupled with necessary and strict punishment measures--so that the good habit of "everyone is paying attention to hygiene, every household is clean and everyone is active in preventing pollution" will gradually become widespread, coupled with the building of a strong momentum of public opinion. The masses must be mobilized to clean all places, improve hygienic conditions in both rural and urban areas, and improve the hygienic environment in big and medium-sized cities.

In the past, we did not do much work to publicize the importance of planting trees for the health of the people, and the broad masses of people still do not have a necessary understanding of its importance. Enormous scientific research work and statistics on experiments have shown that forests and trees keep the air fresh, improve the climate, prevent blowing dust and lower noise pollution. Some trees, shrubs and flowers produce elements that kill bacteria and thus prevent some diseases. Other trees are helpful in detecting the extent of environmental pollution. Many areas of the world where people are living longer lives are characterized by mountains and rivers, and quiet and beautiful environments. To cover soil with green plants is not only in the interest of people's health, but also beautifies the environment; it is in the interest of the people that this work be done in a big way.

The campaign for planting trees and paying attention to public health is of great significance for the development of the national economy. When Lenin referred to industrial production, he said that it was necessary "to make labor conditions more healthy, to enable tens of millions of workers to work in hazard-free areas by eliminating smoke, dust and mud and to quickly transform the dirty and disgusting workshops into clean, bright and comfortable laboratories." ("Collected Works of Lenin," Vol 19, p 42) As we know, men are the most important and active factors in the productive force. To change the dirty and chaotic environment is in the interest of promoting people's physical conditions and of improving work, labor and study efficiency and is consequently in the interest of promoting the development of productive force. Furthermore, modernized mass production depends on equipment, instruments and meters and other advanced equipment with very high precision and sensitivity. In order to ensure smooth operation of this equipment and enable them to be used for the longest possible time, it is necessary to carry out civilized production. Paying attention to hygienic conditions and keeping the environment clean and beautiful is an indispensable condition and important part of such production.

Planting trees is very important in developing the national economy, and this work must be particularly stressed at the present stage because it is not only important but also urgent. Developed forestry is a criterion for state wealth, national prosperity and social civilization. Forests are valuable resources for the national economy because they provide us with timber and various forestry sideline products, but what is more important is that forests have a very important role of maintaining natural ecological balance. They constitute a very important condition for ensuring high and stable yields in agriculture and animal husbandry. In fact, forests play many roles in this respect. For example, they retain water resources, weaken surface and underground currents, preserve soil and water, act as windbreaks and sandbreaks, reduce pollution and partially regulate the climate. Therefore, to plant trees and develop forestry is a basic aspect of farm capital construction, a strategic measure in transforming nature, and a great cause that will benefit present and future generations.

People's understanding of the role of forests gradually deepens with the development of society and science. In ancient times, people were only aware of forests from the angle of their direct interest, which meant that forests provided them with timber and various forestry sideline products. They understood very little or did not understand at all the indirect interest they could get from forests. Following the development of agriculture, animal husbandry and industry, people began to reclaim lands and herd their animals in a way that damaged forests and to fell trees excessively. In addition, forests have been damaged by wars, fires and pests. As a result, the acreage of forests has decreased and the supply of timber is decreasing, and at the same time there have appeared natural calamities such as floods, drought, winds, sand and environmental pollution. When Marx was referring to the influence of the activities of mankind on the natural environment, he said: "It is only men that leave their own imprint on nature. That is because they have not only changed the position of plants and animals but also changed the outlook and climate of the places where they are living." ("Collected Works of Marx," Vol 20, p 373) That is to say, on the one hand, mankind has made increasing achievements in understanding and transforming nature, but on the other hand, he has caused a series of environmental problems. Therefore, "we must in no way become intoxicated with our victories over nature. Nature has taken its revenge on us for each of our victories. There is no doubt that we achieve the anticipated results in the first step of each victory, but the situation is always quite different in the second and third steps. It is often the case that the initial results are offset by unexpected influences." ("Selected Works of Marx and Engels," Vol 3, p 517) Engels pointed out that in the mid-19th century, the Russians recklessly felled trees and caused serious consequences that "have impoverished the soil in many regions." ("Collected Works of Marx and Engels," Vol 22, p 457) In our country, the loess plateau along the middle reaches of the Huanghe River was originally covered with forests and grasslands; it was a zone with prosperous agriculture and animal husbandry and the cradle of the Chinese people. The forests were later seriously damaged, which caused numerous calamities following big-scale construction undertaken by various rulers in history, damage during various wars and reckless logging of trees. In the contemporary era, the region has been subject to frequent natural calamities such as floods and droughts, and the river now contains more silt than any other river in the world. This problem is not just confined to the Huanghe River. We have made certain achievements in forestry construction over the past 3 decades and more since the founding of the PRC, but because of the very weak forestry foundation and the interference of the "leftist" guiding ideology, the situation of our forests is still lagging behind and they are far from meeting the needs of the development of the national economy as well as the people's livelihood. Our country is still one of the countries in the world with very low forest coverage. In addition, the distribution of our forests is not balanced, while many regions are characterized by serious ecological imbalance and soil erosion which have seriously affected the development of agriculture and animal husbandry. To make our country green and restore and develop forests is a very arduous and urgent strategic task of the whole nation. We must be clearly aware of this situation, take active measures and respond to the "Resolution on Unfolding an All-People Voluntary Tree-Planting Campaign" passed by the 4th Plenary Session of the 5th NPC and contribute to making our motherland green.

The tree-planting and hygiene campaign is a matter of changing habits and customs, and an important aspect of beautifying the environment and building spiritual civilization is that this will help promote the development of the political consciousness of the broad masses of people and form good social practices. These benefits can be said to be the basic spirit for our waging the tree-planting and hygiene campaign. Lenin once termed pernicious and infectious diseases and typhus as "bad consequences of Russians' uncivilizedness, poverty and ignorance." ("Collected Works of Lenin," Vol 30, p 198) He also pointed out that to eliminate these diseases and the louses that spread them "is our first measure for civilization." (ibid., Vol 30, p 160) Consequently, he personally signed the decision to allot fees for cleaning works in Moscow and meticulously inspected the nationwide activities of "hygienic environmental week" and advocated that "Moscow must set an example in cleanliness." (ibid., Vol 35, p 528) Planting trees and paying attention to hygiene is the common cause of hundreds of millions of people and such a campaign can draw the broadest masses of people to participate. This campaign cannot make achievements in a short time. Therefore, we must persist in tirelessly carrying out ideological education, hard work and management for years in succession. Comrade Hu Yaobang has pointed out that the campaign is closely related to the spiritual outlook of the entire Chinese people. To have done a good job in planting trees and paying attention to hygiene means to have demonstrated our organization and discipline, and this achievement represents our civilization, which arouses people's vigor.

The CCP Central Committee has highly valued the great political and economic significance of the tree-planting and hygiene campaign and considered the present national conditions and the ideological situation of the broad masses of people, and consequently it calls for doing a good job in cleaning, hygiene and tree planting to change the dirty environment as a breakthrough in building socialist spiritual civilization. It is not an easy job to change the habits and customs of tens of millions of people and overcome the difficulties that have accumulated for many years, nor can this work be completed at a stroke. But the Chinese people have a good tradition of paying attention to hygiene and planting trees, we have the powerful leadership of the party and the superior socialist system, excellent national conditions and industrious people. Therefore, as long as the party and government organizations at all levels are able to step up their ideological and organizational leadership, make overall arrangements, and mobilize the masses and are persistent in carrying out their work in a down-to-earth way, a clean and beautiful environment covered in green is sure to emerge in our urban and rural areas.

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FALSE HISTORIOGRAPHY SERVING REGIONAL HEGEMONISM--COMMENTING ON SOME FALLACIES IN THE HISTORIOGRAPHY OF VIETNAM

Beijing RED FLAG in Chinese No 7, 1 Apr 82 pp 44-48

[Article by Dai Kelai [2071 0668 0171] and Xu Yongzhang [6079 3057 3864]]

[Text] Ever since the unification of the northern and southern parts of Vietnam, the Le Duan clique has been frenziedly pushing regional hegemonism in a vain attempt to dominate Southeast Asia. It has published numerous volumes of so-called historical works which, meeting the needs of its policy of aggression, distort historical facts, confuse right and wrong, make malicious remarks by innuendo and even go to the extent of openly spreading slander. In Vietnam today, historiography has actually become an instrument used by the Vietnamese authorities to push regional hegemonism.

A Fabricated "Van-Lang State"

To put Vietnam in a higher historical position, some Vietnamese historians have put back the date of the ancient history of Vietnam to an even earlier period. They assert that the Vietnamese "established the Van-Lang Society with a unique Bronze Age culture 3,000 to 4,000 years ago and that the Vietnamese nation was obviously extraordinarily strong." (Nguyen Linh and others: "The Question of the Hung-Vuong Kings and Archaeology" carried in Vietnam's HISTORICAL RESEARCH, March 1968, No 108, p 23) They even say that in ancient Southeast Asia, "a representative culture stemmed from the ancestral home of the Vietnamese" and ancient Vietnam was "a unique center of Southeast Asian culture." (Dang Nghiem Van: "The Course of Formation and Development of the United Vietnamese Nation" carried in Vietnam's HISTORICAL RESEARCH, March-April 1978, No 179, p 10) They also boasted that ancient Vietnam "was an agricultural center of the world." (Pham Huy Thong: "Bronze Drum" carried in Vietnam's SPECIAL ISSUE ON BRONZE DRUM, Vol 1, p 10) In short, they seemed to say that everything Vietnamese was the "best" in Southeast Asia so that Vietnam should naturally be the overlord of the region.

Anyone with rudimentary historical knowledge knows that the authentic recorded history of Vietnam could not possibly be dated back to earlier than China's Qin dynasty. In 207 B.C., Zhao Tuo, a Qin official in charge of the border area, founded a local independent state of Nanyue with the city of

Guangzhou as its seat of government. He established Jiaozhi Prefecture in the northern part of today's Vietnam and Jiuzhen Prefecture in the northern part of today's central Vietnam. This was the first Vietnamese political power recorded in history. In the ancient history of Vietnam, the Nanyue State was considered an orthodox governmental state and named the Trieu (Zhao) dynasty, and Zhao Tuo was called the founding ruler of the state of Vietnam. (Le Van Huu, a scholar specializing in ancient Vietnamese history, said: "Emperor Vo of the Trieu dynasty opened up the land of Vietnam and founded his empire there.... He rendered immortal contributions to the founding of an empire in Vietnam!" ("Complete History of Great Vietnam: Supplement," Vol 2) He regarded Zhao Tuo as the founder of Vietnam. In his "Binh Ngo Imperial Mandate," Nguyen Trai said: "Ever since our country was founded by the Trieu, Dinh, Ly and Tran families...." He regarded the Trieu dynasty as the first political power of Vietnam. Neither of them mentioned the "Van-Lang State.")

Not only foreign scholars studying Vietnamese history but also Vietnamese historians doubt the existence of the "Van-Lang State." According to the ancient history of Vietnam, the "Van-Lang State" existed for 2,622 years from 2879 B.C. to 258 B.C., during which time 18 Hung-Vuong kings reigned. Vietnamese bourgeois historian Tran Trong Kim pointed out: "Each of the Hung-Vuong kings was on the throne for an average of about 150 years. Though they lived in ancient times, it was hardly possible that such a great number of people would live such a long life." (Tran Trong Kim: "General History of Vietnam," Vietnamese version, p 25) This remark alone showed that the existence of the "Van-Lang State" was unbelievable. French Sinologist Henri Maspero also doubted the "Van-Lang State." (H. Maspero: "Van-Lang State," carried in "Collected Papers of French Institute of Far East Ancient Studies," No 18) Dao Duy Anh and some other Vietnamese historians shared his doubts. Dao Duy Anh said: "The Van-Lang State can only be a fabrication." "We should not rigidly hold that the word 'quoc' (state), being the area ruled by Hung-Vuong kings, meant a state in the sense that it does today." (Dao Duy Anh: "King of An-Duong and the State of Au-Lac," Hanoi, 1975, Vietnamese version, pp 37, 35)

What was especially absurd was that for the purpose of proving the existence of the "Van-Lang State," some Vietnamese historians had the effrontery to say that the "An (Yin) bandits" whom the "Van-Lang State" fought against were troops sent by China's Yin dynasty to attack Vietnam. (Phan Huy Le and others: "Several Decisive Strategic Battles in the History of the Vietnamese Nation," Vietnamese version, p 10; see also "General History of Vietnam," p 26) We may well imagine: The Yin dynasty was located in the central plains of China. It was so far away from the "Van-Lang State" that there were no relations whatsoever between the two. What caused a war between them? Under the technical conditions at that time, how could the Yin troops cross the Changjiang River and the mountain ranges and invade the "Van-Lang State"? Who else besides the fabricators would believe in this "invasion"?

Some Vietnamese historians not only went all out to collect myths and legends to fabricate history, but also adopted a capricious, pragmatic attitude toward archaeological finds. For example, they repeatedly said that the Dong-Son culture could "testify" to the existence of the "Van-Lang State." However, the report on the findings of the Dong-Son culture revealed that some copper coins of China's Han dynasty were among the relics unearthed at Dong-Son. This revelation was a far cry from their wishful thinking. Therefore, they arbitrarily repudiated the report under the pretext that "the method of unearthing the relics was not scientific." This resort to deception was indeed appalling!

"National Hero" of Aggression and Expansion

Some Vietnamese historians wildly exaggerated the "military achievements" of the Vietnamese feudal kings and generals in wars with foreign countries, extolling them to the skies and making them more perfect and taller figures than proletarian revolutionaries. An outstanding example is their extolling of Ly Thuong Kiet. They said: "In Vietnamese history, Ly Thuong Kiet proved himself a man of moral integrity and great ability.... Many people were astonished by his achievements in the war against China's Song dynasty." (Van Tan: "In Commemoration of the 900th Anniversary of the Victory of the Battle of Nhu Nguyet Giang: Ly Thuong Kiet and the Cause of Defending and Building the Country During the 11th Century," carried in Vietnam's HISTORICAL RESEARCH, March-April 1977, No 2, p 7) "He was a devoted patriot cherishing a strong desire for national independence. He was also an openhearted statesman and able militarist." They described Ly Thuong Kiet's "war of resistance against foreign aggression" as "a great, earthshaking war of resistance with many unique characteristics in the Vietnamese history of national defense over the past 4,000 years." They even praised a poem by Ly Thuong Kiet as the "first declaration of independence of the Vietnamese nation." ("Several Decisive Strategic Battles in the History of the Vietnamese Nation")

Ly Thuong Kiet was prime minister during the reign of Emperor Nhan-Ton of the Ly dynasty in Vietnam. The Ly dynasty was a rather powerful period in Vietnamese history, whereas the contemporary Song dynasty in China was a period of weakness in Chinese history. The Song dynasty was engaged in internal struggles against the Liao and Jin local governments of minority nationalities in the north and against the Xixia local government in the northwest. Being unable to handle affairs in the south, it adopted an "appeasement" policy toward the Vietnamese Ly dynasty in order to keep everything "peaceful." However, cherishing the ambitions of aggression and expansion, the Ly feudal rulers took advantage of the weakness of the Song dynasty to "match their strength with that of the Song dynasty" and "repeatedly dispatched invading troops to occupy territory." (Zhang Jingxin: "Resistance Against Vietnamese Aggression," Vol 2) Because Vietnam continually sent its troops to invade China and seize Chinese territory by piecemeal encroachment, the local officials of the Song dynasty were compelled to take measures against the Vietnamese invasion. At this juncture, seeing that the Song dynasty was facing many difficulties in carrying out the reform put forward by Wang Anshi, the Vietnamese rulers took the opportunity to launch a large-scale war of aggression against China under the pretext that local Chinese officials were strengthening border defenses.

Ly Thuong Kiet was supreme commander of this war of aggression. During the time from the end of the 8th year to the beginning of the 9th year of the Xining period of the reign of Emperor Shezong of the Song dynasty (1075-1076 A.D.), Emperor Nhan-Ton of the Vietnamese Ly dynasty dispatched a large army led by Ly Thuong Kiet to invade the border areas in China's Guangdong and Guangxi and occupy Qinzhou, Lianzhou and Yongzhou. The invading Vietnamese troops wantonly burned, killed and looted wherever they went. In Yongzhou alone, because a local official, Su Jian, led the people in a dogged resistance, the invading troops commanded by Ly Thuong Kiet perpetrated a massacre, killing "more than 58,000 residents." In Yongzhou, Qinzhou and Lianzhou, they "killed more than 100,000 people," "retreated but took with them captives from these three places" and caused great damage. ("Complete History of Great Vietnam: Biographies of Emperors," Vol 3; "Outlines of Vietnamese Comprehensive History," Vol 3; and "Continuation of 'Zi Zhi Chronological History of China,'" Vol 272) The invading army led by Ly Thuong Kiet openly interfered with our country's internal affairs by opposing the reform carried out by Wang Anshi. In every city or township which it had invaded, it put up notices stating that the reform would "afflict people with suffering, and our army has come to rescue the people." ("Outlines of Vietnamese Comprehensive History," Vol 3) These deeds of naked aggression against our country and interference in our country's internal affairs were historical facts of Ly Thuong Kiet's "punitive expedition to China during the Song dynasty." However, some Vietnamese historians portrayed Ly Thuong Kiet's invasion of our country as a preemptive strike of "active self-defense" and "a unique creation" by him. ("Several Decisive Strategic Battles in the History of the Vietnamese Nation") What absurd logic!

Owing to Ly Thuong Kiet's invasion, the Song dynasty was compelled to launch a counterattack and send Guo Kui and Zhao Xie to lead an expedition to Vietnam. Therefore, the Song dynasty's counterattack in self-defense was a just war. According to the historical records of China and Vietnam, when the Song army crossed the border and marched to Phu Lang Giang, which was 35 li from the capital, the Vietnamese army could not resist it and "Emperor Nhan-Ton of the Ly dynasty was so daunted that he approached the Song army and negotiated a surrender, in which he conceded the territories of To Mao Chau, Tu Lang Chau, Mon Chau, Lang Chau and Quang Nguyen Chau and returned the captives who had been taken from China." Consequently, "Guo Kui withdrew his troops." ("History of Song Dynasty: Biography of Emperor Shenzong"; "Continuation of 'Zi Zhi Chronological History of China,'" Vol 279; "Complete History of Great Vietnam: Biographies of Emperors," Vol 3) After suffering this defeat, the "Vietnamese lived in peace" and "did not make trouble again, so that it was quiet on China's southern borders for a century thereafter." ("Vietnam" in "General Study of Historical Documents," Vol 330)

Obviously, the Vietnamese feudal ruler at that time had overestimated his strength. He sent an army to invade China but eventually surrendered when the Vietnamese army was defeated by the Chinese army's counterattack. However, this battle was exaggerated by some Vietnamese historians as a "decisive strategic battle" of resistance against China's "invasion," and called it "a battle of great victory at Nhu Nguyet Giang." Based on the single sentence "Ly Thuong Kiet put up defensive works along the river" carried in volume three of "Complete History of Great Vietnam," they set up for Ly Thuong Kiet, who lived during the 11th century, a rather modernized "defense line at Nhu Nguyet Giang" and drew a "sketch of the situation of the Nhu Nguyet Giang counterattack." They also described the troop dispositions and movements, the rear services, the joint operations of military and naval units, and the leadership given by the supreme command, and summarized Ly Thuong Kiet's "strategic thinking," and so forth. ("Several Decisive Strategic Battles in the History of the Vietnamese Nation") They displayed nothing but a sandtable illustrating the military operations of the National Defense Ministry of the Le Duan clique against China. What sort of "historical works" these were!

Ly Thuong Kiet, who was an aggressor, was disguised by some Vietnamese historians as a "national hero." Was this not an attempt to call up the soul of a deceased person to serve the Vietnamese authorities' policy of aggression and expansion?

True Features of the Theory That "Vietnam Does Not Have a History of Aggression"

Some Vietnamese historians said nothing about the aggression and expansion of the Vietnamese feudal rulers against neighboring countries. They tried in every possible way to defend and exonerate the feudal rulers and describe Vietnam's aggression against Kampuchea and Laos as "special friendship." According to them, Vietnam was invaded and had never been an invader. This was an out-and-out alteration of history.

An important characteristic of the feudal Vietnamese society was that remnants of serfdom prevailed. Slave labor was widely employed on the large farms owned by bureaucrats and aristocrats. The seizing of slaves was a dominant motive of the Vietnamese feudal aristocrats in going in for aggression and expansion against another country. (Hisanori Wada: "Ancient History of Southeast Asia," chapter 2, section 1) In the past, they not only caused trouble to Chiem-Thanh and other neighboring states but also often intruded into Chinese border areas to kidnap local residents, whom they sold as slaves. ("Major Events During the Song Dynasty: Barbarians"; and "General Study of Historical Documents," Vol 330) Territorial expansion was another motive of the Vietnamese feudal rulers in invading other countries. When the feudal state of Vietnam was founded in the 10th century, its territories included only the middle and lower reaches of the Hong Ha River and the northern part of today's central Vietnam and was equal to one-quarter of today's Vietnamese territories. The other territories were acquired later by encroaching on neighboring countries.

Chiem-Thanh was the state which bore the brunt of the southward aggression and expansion of the Vietnamese feudal rulers. Also called Champa, it was a civilized ancient state different from Vietnam as a nation and in its history and culture. It was founded in the 2d century, much earlier than Vietnam. Its territories lay approximately in the central part of today's

Vietnam. All its territories were gradually annexed by Vietnam through continuous wars of aggression during the period from the middle of the 10th century to the end of the 17th century. The Chiem-Thanh people were culturally developed and ardently loved freedom. After losing their country, some of them preferred to go to remote mountain areas to live with the primitive tribes there than suffer the brutal rule and oppression of the Vietnamese. With regard to the Vietnamese feudal rulers' annexation of Chiem-Thanh, some Vietnamese historians called it a "southward advance." They also described the wiping out of the Chiem-Thanh nation as "taking in a neighboring nation which had a greater enterprising spirit." (Dao Duy Anh: "Vietnamese Territories in Past Ages," Vietnamese version, p 182) They sang the same tune as the old colonialists and imperialists!

Laos is Vietnam's neighbor on the west. In ancient times, it was called Ai-Lao by the Vietnamese. There were many small states and tribes in the territories of Laos before the 14th century. They were the objects of Vietnamese expansion. According to the "Complete History of Great Vietnam," during the 3 centuries and more from the Ly dynasty to the Tran dynasty, Vietnam launched 13 wars on a considerably large scale against Laos. In August 1479, Vietnam dispatched 180,000 troops to invade Laos, capturing and looting its capital Luang Prabang. In December of the same year, it again amassed troops to attack Ban-Man (which is now the Xieng Khouang area in Laos). Cam Cong, chief of Ban-Man, was killed in battle. The Vietnamese aggressor troops destroyed the city of Xieng Khouang by burning it and massacred its residents, causing a famine in the area. "At first, there were 90,000 households in Ban-Man. They were starved. Only some 2,000 households survived." ("History of the Le Dynasty" in "Complete History of Great Vietnam")

At the end of the 17th century, with Vietnam eventually subjugating Chiem-Thanh, Trinh-Lap (Kampuchea) became its neighbor to the south. "Trinh-Lap was Chiem-Thanh's neighbor to the south." (Zhao Rushi: "Laws of the State of Zhenla (Trinh-Lap)" carried in "History of Vassal States," Vol 1) That is to say, the southern part of Vietnam today was Kampuchean territory. During the "period of the Nguyen princes" preceding the Vietnamese Nguyen dynasty, the Nguyen feudal ruling clique gradually nibbled on Kampuchea and by the second half of the 18th century had already annexed half of the Kampuchean territories. After its establishment in 1802, the Nguyen dynasty turned the remaining part of Kampuchea into a "protectorate" under Vietnamese military occupation.

While committing aggression against Kampuchea, the Nguyen dynasty continued its expansion in Laos. It dispatched an army to Laos in 1827 and annexed two-thirds of the Lao territories in more than a year's time, thereby extending Vietnam's western boundaries to across the Truong Son Mountains and further to the Mekong River, with Siam on the other side of the river.

Anti-Chinese Slander Aimed at Altering History

The Le Duan clique regards socialist China as its biggest obstacle in pushing its regional hegemony. Therefore, some Vietnamese historians, using the past to satirize the present, attack China by every possible means and create anti-Chinese public opinion. Ignoring the facts, they deny that the friendly exchanges between the Chinese and Vietnamese peoples were the mainstream in the history of Sino-Vietnamese relations. They exaggerate the contradiction between the Chinese and Vietnamese nations to be the principal contradiction in Vietnamese history. They hold that the contradiction and struggle between the Chinese feudal dynasties on one side and the Vietnamese ruling classes and people on the other side were the main aspects of Vietnamese history. They say that Vietnamese history is a history of continuous struggle against China. With utter absurdity, they regard opposition to China as the most essential motive force in the development of Vietnamese history.

Contradictions and struggles often occurred between slaves and their owners and between peasants and feudal landlords in Vietnam. According to preliminary statistics, peasants revolted on more than 300 occasions during the period of the feudal society in Vietnam. It was precisely the struggle for production and class struggle waged by the peasants that promoted the development of the Vietnamese feudal society and formed the main content of Vietnamese history. However, owing to their eagerness to oppose China, some Vietnamese historians have even ignored this rudimentary historical knowledge.

Taking the development of the history of Sino-Vietnamese relations as a whole, it was undoubtedly the working people, and not the feudal rulers, of China and Vietnam who played the decisive role. In ancient times, China's advanced production skills and cultural knowledge including the Han written language were brought to Vietnam and played a positive role in developing the productive forces in Vietnamese society, wiping out the surviving elements of the primitive society and pushing the feudal society forward. On the other hand, some farm products and fruits such as sweet potato, longan and litchi were brought from Vietnam to China, enriching the lives of the Chinese people. As a result of their long-term contacts, the Chinese and Vietnamese people have some common habits and customs. For example, they observe the same traditional festivals, such as the Spring Festival, the Tomb Festival, the Dragon Boat Festival and the Moon Festival. What especially cannot be forgotten is that the Chinese and Vietnamese people voiced support for each other in their struggles against feudal oppression. During the past century in particular, they sympathized with and supported each other in their common struggle against colonialism and imperialism. In the hard years during the Vietnamese wars against France and the United States, the entire Chinese people gave strong backing to the Vietnamese people, the vast Chinese territories became the reliable rear base of the Vietnamese people, the Chinese people aided the Vietnamese people in many ways, and the struggle of the Vietnamese people also aided the Chinese people. The revolutionary friendship of the Chinese and Vietnamese people was indeed cemented with blood.

With regard to the wars launched by the Chinese feudal rulers against foreign countries, it must be admitted that since ancient times, China has been a united, multinational country with a large population and vast territories. Contradictions between nationalities and classes were very acute and complicated. The peasant uprisings and peasant wars in feudal Chinese society had few parallels in frequency and scale in world history. The resistance put up and struggles launched by the people of various nationalities tied the feudal rulers' hands, preventing them from engaging in foreign aggression and expansion. This was also true of China's relations with Vietnam in ancient times.

In the long history of contacts between China and Vietnam, real wars between the two countries were very short in duration and occurred only occasionally. Compared with the historical mainstream of friendly contacts between the Chinese and Vietnamese peoples, they were just like a few small tributaries. For almost all the time, the Chinese and Vietnamese people maintained friendly contacts and got along well with each other.

We respect historical facts. We do not deny that some Chinese feudal rulers launched wars of aggression against Vietnam; neither do we defend them. Historical research should not be separated from concrete historical conditions. The Chinese people at that time were powerless because they were oppressed by feudal rulers. The Chinese feudal rulers launched wars of aggression against Vietnam and drove large groups of soldiers and workmen to "brave the heat of the sun and the attack of miasma" and to die for them. Fundamentally, this ran counter to the wishes and interests of the Chinese people. The Chinese people were against it. Therefore, the Chinese people at that time should not be held responsible for this; nor should the Chinese people today be required to take historical responsibility for what the feudal rulers did. Similarly, the Vietnamese people should not be held responsible for the foreign aggression and expansion launched by the Vietnamese feudal rulers in the past. However, some Vietnamese historians do not like this. They try to seize on the launching of wars against Vietnam by Chinese feudal rulers and make an issue of it. They want the Chinese people today to pay the debts of the past feudal rulers. In this way, they can create a historical basis for the Vietnamese authorities' policy of opposing and hating China.

From the several points mentioned above, we can see that with the Le Duan clique embarking on the road of political degeneration, historiography in Vietnam today has degenerated into false historiography serving regional hegemonism.

CSO: 4004/30

IT IS NECESSARY TO PAY SIMULTANEOUS ATTENTION TO PLANTING AND PROTECTING TREES

Beijing RED FLAG in Chinese No 7, 1 Apr 82 inside back cover

[Article by Li Mingfu [2621 2494 4395]]

[Text] "The Resolution on Unfolding an All-People Voluntary Tree-Planting Movement" adopted by the 4th Session of the 5th NPC points out: "Planting trees everywhere in the country is a great cause for building socialism and for benefiting future generations, and is a major strategic measure for regulating mountains and rivers and protecting and improving the ecologic environment." In recent years, the broad masses of cadres and people have realized, to a certain extent, the significance of planting trees and carrying out afforestation. Every year a great deal of manpower and financial resources are spent on this task. The current problem lies in the fact that a large number of trees have been planted, but only a small number of them survive. As the masses summed up, no trees can be seen after planting trees and no forests can be formed although afforestation has been carried out. Luannan County in Tangshan Prefecture, where a good job of planting trees was done, is an example. There, 2.68 million trees were planted in 1977, 1.34 million of which survived, giving a survival rate of 50 percent; 1.5 million trees were planted in 1978, 820,000 of which survived, giving a survival rate of 54.7 percent; 1.82 million trees were planted in 1979, 690,000 of which survived, giving a survival rate of 37.9 percent; 2.34 million trees were planted in 1980, 710,000 of which survived, giving a survival rate of 30.3 percent; 1.66 million trees were planted in 1981, 659,000 of which survived, giving a survival rate of 39.7 percent. A total number of 10 million trees have been planted in the last 5 years in this county, 4.219 million of which have survived, giving a survival rate of 42.2 percent. Besides the low survival rate, the conservation rate and the rate of growth into useful timber were even lower. This mainly resulted from the tendency of laying stress on planting trees but neglecting tree protection. The neglect to tend trees can be found in the following three aspects: 1) Owing to the view of putting completion of assignments above everything else, some localities are only concerned about the number of trees planted and disregard the survival of these trees. 2) Perfected measures are not taken to protect trees. The seedlings are eaten by pigs and goats, but no one assumes responsibility. 3) The responsibility system in forestry production has not been established in many localities and the forestry policies have not been put into effect. The initiative of the masses in planting trees has not been aroused. Unless the above problems are solved, forestry production can never be rapidly developed.

Practice in many localities shows that, as in developing agricultural production, success in planting trees and conducting afforestation must rely on implementing correct policies and making use of science. In order to do a good job of planting trees and carrying out afforestation, to effectively raise the rates of survival, conservation and timber formation and to realize the goal of making the land of our country green, we should, first of all, take further steps to implement the forestry policies that trees planted by the state are owned by the state, those planted by communes or production teams are owned respectively by them, and those planted in common are owned in common. The trees planted by commune members around their houses or at places designated by production teams should always be owned by individual members. Wherever the policies of fixing farm output quotas for each household and assigning the households full responsibility for task completion are implemented, those scattered trees and forest belts near farm fields formerly owned by collectives can all be contracted to households or individuals. No matter what kind of production responsibility system is adopted, the ownership of trees cannot be changed, tree farms and seedling nurseries owned by communes or production teams cannot be broken up or weakened.

Second, various forms of the responsibility system in forestry production should be conscientiously implemented. Attention should be paid to local special conditions and the responsibility system should take a form that most of the masses are willing to accept. It is necessary to contract out the existing forests owned by collectives, particularly forests stretching over a wide area and backbone forests, to full-time personnel specially assigned to protect trees. Small areas of scattered trees and forests can be contracted out by fixing a price for households or individuals. Measures can be taken to preserve the value of forests, to fairly dividing benefits in proportion to the increase in value. In the future, trees can be planted in a unified plan, afforestation work can be divided and assigned to each household. While leaving the ownership of forests with production teams, responsibility for forest management should be assigned to individuals, with profits shared by the production team and the individual. It is imperative to lay emphasis on the quality of planting trees. Survival should be actually guaranteed as a part of the assignments for planting trees.

Third, perfected organizations should be established and scientific measures should be taken for protecting forests and planting trees. The past experience and lessons whereby a large number of trees were planted, but only a small number survived, and an even smaller number grew into forests with useful timber, should be conscientiously summed up. Great efforts should be made to carry out afforestation scientifically and to take good care of forests. In particular, we should do a good job in selecting tree strains suited to the land, nursing good and strong seedlings, preparing the soil with sufficient base of fertilizer, planting trees carefully and in rational density, and tending and protecting trees for a long time. Organizations for tending forests should be established and perfected in places where such organizations do not exist. Systems of rewards and penalties should be laid down on a feasible basis, so as to fully arouse the initiative of the personnel in charge of tending and protecting forests and to actually guarantee the survival and growth of trees. At the same time, rewards should be granted to people who plant a large number of trees with high rates of survival, conservation and timber-formation.

Fourth, in the future, while counting numbers of trees planted, the departments concerned should pay more attention to counting the number of trees that survive. Assignments in tree planting and methods of rewards and penalties should take the number that survive as the standard.

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China Report

RED FLAG

No. 8, 16 April 1982

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16 June 1982

CHINA REPORT

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CONTENTS

On Questions Regarding Our Country's Economic Relations With Foreign Countries (pp 2-10)
(Editorial Department) 1

On Bourgeois Liberalization and Other Issues (pp 11-13)
(Hu Qiaomu) 17

A Probe Into a Development Strategy for Solving the Food Problem--Talk on Exploiting Protein Resources and Increasing the Utilization Rate of Protein (pp 14-19)
(Luo Jingba) 21

Rectify the Ideological Line, Develop Construction in Mountain Areas (pp 20-24)
(Tie Ying) 32

How To View the Changes in People's Livelihood Over the Past 3 Years (pp 25-28)
(Li Chengrui, Zhang Zhongji) 42

Letter From Comrade Song Shilun (p 28) 49

Vigorously Study Economic Theory (pp 29-30) 50

Taking Planned Economy as the Dominant Factor and Regulation by Market Mechanism as a Supplement (pp 30-33)
(Xue Muqiao) 52

Is There Any Contradiction Between the Appropriate Restoration and Development of the Individual Economy and the Past Practice of Transforming It? (pp 33-34)
(He Jiangzhang) 58

How Do We Understand the Coexistence of Diversified Economic Forms at the Present Stage in Our Country? (pp 34-35)
(Wu Shuqing).. 61

Strengthen Rural Party Organizations at the Basic Level (pp 36-39, 43)
(Jing Dong).. 64

Be Broad-Minded About Rejuvenating the Cadre Ranks (pp 40-43)
(Luo Yinghuai).. 72

On the Question of Human Rights in the International Arena (pp 44-48)
(Shen Baoxiang, et al.).. 79

Is This Really for the Good of All and the Collective? (inside back cover)
(Li Zhuqi).. 88

ON QUESTIONS REGARDING OUR COUNTRY'S ECONOMIC RELATIONS WITH FOREIGN COUNTRIES

Beijing RED FLAG in Chinese No 8, 16 Apr 82 pp 2-10

[Article by Editorial Department]

[Text] In order to open up new prospects for developing China's foreign economic relations in an all-round manner, we should sum up both the positive and the negative of our past and present experiences on a series of basic problems related to our foreign economic relations and thus more clearly understand and more satisfactorily carry out the CCP Central Committee's correct principles and policies.

I. What Exactly Is the Nature of Foreign Economic Relations?

A few years ago, Comrade Deng Xiaoping pointed out that the external economic work is a strategic issue that has a bearing on the success and failure of our four modernizations. This is absolutely true.

In the "introduction" to Marx' well-known "Manuscripts on Economics (1857-1858)," he pointed out the necessity of studying "the international relations in production" after he had expounded on the various sectors in social production and their relations. He was also of the opinion that we had to treat international relations in production as a special subject of study in economics. This subject had to include "international division of labor," "international exchange," "import and export," "exchange rates" and other themes. This is a view of great significance. By raising this view, Marx pointed out, briefly and succinctly, that in the modern world, economic problems are by no means phenomena that are related only to domestic factors; on the contrary they must be studied in the context of international relations and should not be studied in isolation from international relations. We should never neglect this important view of Marx' in discussing China's foreign economic relations.

Almost all the countries in the present world, with perhaps very few exceptions, attach great importance to the problem of external economic relations. Many countries and areas, such as Japan, Singapore and Hong Kong, even regard it as a vital one. As far back as more than 100 years ago, Marx and Engels pointed out that along with the emergence of the international market, the nations of the world have become increasingly economically related and dependent on one another and the closed-door and self-sufficient situation are gradually becoming things of the past. During the past decades, especially since World War II, this situation has been further developed in an unprecedented manner. This is a fundamental historical task as well as an inevitable trend of social development. We should never be ignorant of this fact in regarding China's foreign economic relations today.

Since the founding of the PRC, we have undergone many twists and turns in developing our foreign economic relations and have failed to make any substantial progress in this respect. Of course, we are not to blame for this on the grounds that we preferred a policy of closing our country to international exchanges. At that time there were other reasons: First, the major capitalist countries in the world headed by the United States adopted an antagonistic attitude toward us and blockaded us for a long time. They put an embargo on many commodities. Second, since the beginning of the 1960's, when the Soviet Union tore up its economic contracts with us, our economic relations with the Soviet Union and a few other countries have been greatly reduced. Third, for a time, especially during the period of the "Great Cultural Revolution," our policy of self-reliance was greatly distorted. Self-reliance is an absolutely correct policy, but it is absolutely wrong to distort this policy and set it against the development of external economic relations.

Since the time around 1972, there has been a change in our foreign economic relations and we have gradually opened up some prospects. However, it was not until the smashing of the "gang of four" and especially not until the 3d Plenary Session of the 11th CCP Central Committee that it was made clear throughout the party that we should develop our foreign economic relations. This is indeed a very farsighted policy decision. Then, from 1978 to 1980 we actually brought about a great change to and made great progress in our foreign economic relations. At the same time, we also committed some errors in this respect. This has taught us that we should sum up our experience and make the pace of our progress steadier. However, we should not, for this reason, get the wrong idea and think that we should retreat and dare not continue to actively develop our foreign economic relations. Summing up experience is aimed at developing the foreign economic relations of this socialist country more satisfactorily. Otherwise, we will be going against the principle of the third plenary session of the Central Committee.

The party Central Committee recently noted that to promote our socialist modernization program, we must use two types of resources, that is, domestic resources and international resources; we must develop both our domestic market and our place in the world market; and we must master two skills, that of domestic construction management and that of developing foreign economic relations. This has further defined the strategic position of our foreign economic relations. According to this point of view we should continue to vigorously widen our field of vision and raise our understanding on the problem of developing our foreign economic relations. After the October Revolution, Lenin advocated the implementation of the concession system. At that time, since the Soviet Union was in great difficulties, the enterprises under the concession system amounted to more than 200 and tens of millions of rubles of foreign capital was drawn into the Soviet Union. At that time, Lenin was of the opinion that associating the Soviet Union with international capital was necessary. At the same time, he thought that there was a serious struggle in the course of associating with international capital and associating with international capital was aimed at promoting the socialist economic construction of the Soviet state. Today, we are continuing to act in accordance with Lenin's viewpoint. It is wrong to close the country to international exchange, to fight in isolation or to refuse to be associated with international capital. On the other hand, it is also wrong to neglect or abandon struggles during the process of associating with international capital. To put it in a nutshell, we should struggle while associating. At present, we must pay attention to summing up experience, formulate a whole set of correct guiding principles, policies and measures by thinking over carefully and continuing to make great efforts, and open up a path for developing our country's foreign economic relations that is suited to both national and international conditions. Only by so doing can we really and effectively overcome all kinds of conservative ideas that uphold sticking to old ways and can we overcome blindness and spontaneity in our action. Only by so doing can we open up new possibilities and take the initiative in our own hands.

II. Why Is It That the Development of Foreign Economic Relations Is an Important Strategic Question in Our Modernization Program?

In essence, this is a question of how to soberly understand the problem of in what historical conditions, what national conditions and what favorable and unfavorable conditions we are carrying out our modernization program.

We have the following four favorable conditions:

First, except in Taiwan, we have already soundly established the socialist political and economic system throughout our country. We have transformed the private ownership of the means of production into public ownership and the members of the exploited class into laborers who support themselves by their own labor. We have also placed the lifelines of our national economy in the hands of our state on behalf of the working class and on behalf of the whole laboring people.

Second, we have already corrected our guiding ideology and started to formulate a line and a complete set of principles and policies for carrying out the four modernizations program, and we have already formed a strong and resolute CCP Central Committee that is competent to correctly lead the four modernizations.

Third, with our strong national defense forces, we are strong enough to defend the peaceful construction of our people. At the same time, owing to our correct foreign policies, we enjoy high political prestige in the world.

Fourth, there are very favorable international conditions for our concentrating on carrying out our modernization program. Already, 174 states and areas have started trading and are developing their trade and economic relations with us.

We have the following four unfavorable conditions:

First, though we already have some technical strength which is already up to advanced world standards in some respects, on the whole, our equipment, technology, technical personnel, management and administrative standards are backward and lag behind the world advanced standards to a fairly large degree.

Second, although we already have a considerably sound material basis and are able to accumulate some funds every year, our sources of funds are, after all, limited. The amount of funds raised within our country falls short of the demands of construction.

Third, our rich natural resources are indeed a favorable condition, but many of these resources still remain unexploited underground. Therefore, this is only a latent favorable condition instead of a realized favorable condition.

Fourth, our excessive population is a heavy burden on our country. Though it constitutes a rich resource of manpower, we lack the means to utilize this. Of course, if our manpower is fully utilized, it will change from being a burden into being an advantage.

The above-mentioned favorable and unfavorable conditions are what we should proceed from in considering the problems concerning China's economy today, including those of foreign economic relations. It is precisely because we proceed from these historical conditions that we uphold the view that we must work hard and perseveringly, rely on our own strength, maintain independence and keep the initiative in our own hands while promoting our socialist modernizations program. We must not, in the slightest degree, deviate from these principles. The modernization cause of a big country with a population of 1 billion should and can only be carried out by relying on the country's own strength. However, on the other hand, it is also because we proceed from these historical conditions that we uphold that we should not distort self-reliance and regard closing our country to international exchange and fighting in isolation as self-reliance. We must expand our field of vision from our country to the world on the basis of self-reliance. We must not only go all out to make use of all positive factors within our country, but should also go all out to make use of all foreign factors that can be used by us. This means, in fact, using the strong points of all the countries in the world to offset our weakness. Using the phrase in the book "Guan Zi," this means "taking all the valuable things in the world for our use." Only in this way can we develop our national industries as quickly as possible through foreign economic relations and by drawing support from foreign capital and advanced technology. Only in this way can we more smoothly overcome the difficulties facing us and quicken the pace of promoting our socialist modernization program. Precisely in this sense lies the strategic significance that we attach to our foreign economic relations.

On the problem of foreign relations, we can draw quite a large number of experiences and lessons from the history of modern China. In our history, there were two kinds of people. One kind of people worshipped and had blind faith in foreign things and was subservient to foreigners. As a result these people humiliated the nation and forfeited its sovereignty. Whether the Empress Dowager Cixi, Yuan Shikai or Chiang Kai-shek, they were, without exception, cast aside by the people. The other kind of people upheld closing the country to international exchange and adopted an arrogant attitude toward other countries. Thus these people were satisfied to lag behind and finally became castaways in history. Were not the diehards at the end of the Qing dynasty, who regarded China as the "Heavenly Kingdom" and treated all foreign countries as "uncivilized nations" that should be put under the suzerainty of China, this kind of people? Under the present new historical situations, the above-mentioned two tendencies are still to some extent reflected in the minds of some of our party members and cadres. This may perhaps be regarded as a kind of historical legacy. Some people feel ashamed before foreigners and think that everything is good in other countries, and bad in ours. Others are very apprehensive about opening up to the outside world and are of the opinion that there will not be peace and security if we open up and that if we must open up, we must open up as little as possible. The two tendencies have a common point and that is their lack of confidence in the fact that today we, as a developing great socialist country, are able to open up new prospects in developing our foreign relations.

Our comrades, especially all those who are engaging in external activities including external economic activities, must have a profound understanding of the strategic significance of our foreign relations, especially the strategic significance of our foreign economic relations. They must be both brave and adept in plunging into the vast world to open up new prospects. At the same time, they must also carefully pay attention to understanding the extremely complex nature of the environment we face as a result of opening up to the outside world, be both brave and adept in learning new skills and abilities, prevent and overcome various kinds of negative practices, adhere to the principle of socialism and persistently safeguard the purity of communism. We must do all the above-mentioned things without the smallest omission. Otherwise we will be committing a great error which will cause great harm to our cause. This is an indispensably important factor in ensuring the healthy development of our external work and the victory of our construction cause.

III. The Necessity of Having a Whole Set of Correct Guiding Principles and Policies on Foreign Relations

This means that we should not do our work at random or deal with only those problems that have cropped up. Instead, we should have a complete set of plans with scientific foresight. For this purpose, we should really have a good grasp of the major issues and characteristics of our foreign economic relations.

What are the characteristics of our foreign economic relations?

First, dealing with foreign businessmen is different from dealing with people in our country. In dealing with the people in our country we can enforce discipline and even force people to observe the discipline if necessary. However, in dealing with foreign businessmen, we cannot act in this manner, and should pay attention to maintaining our good reputation. In discussing contracts and agreements, we must deal with the foreign businessmen on the basis of equality, mutual benefits and voluntariness. In view of this, we should both be strict in enforcing discipline at home and be flexible externally.

Second, foreign economic relations often involve many departments and fields. Some of the problems they involve even affect the whole economy and social life of our country. In view of this, our localities, departments and units should not act independently in conducting their foreign economic activities and thus leave loopholes for foreign businessmen to exploit and enable them to make excessive profits at our expense. Instead, we should carry out our external economic activities under unified leadership and comprehensive planning. Only under such a premise can we give better play to the initiative of all the parties concerned.

Third, we should make a distinction between two kinds of foreign businessmen. With regard to those foreign businessmen who show their good faith in cooperation and do business in a proper way, we will take a welcoming and polite attitude, pay attention to maintaining a friendly relationship with them and implement the policy of equality and mutual benefit, no matter whether we will be able to do business and come to terms with them. As for those foreign businessmen who have ulterior motives, adopt improper measures, go so far as to adopt measures that violate our country's sovereignty, and go in for swindling, bribing, smuggling, infiltration or even espionage activities that impair the rights and interests of the Chinese people and corrupt our cadres and citizens, they will certainly meet with firm resistance from the Chinese people and some will be prosecuted in accordance with China's laws. All our party members, cadres and citizens who depart from the correct stand in these unlawful activities and who have been corrupted by such foreign businessmen must naturally be criticized and administratively, or even judicially, punished.

In short, the above-mentioned characteristics mean unified leadership, comprehensive planning, flexible response, strict discipline, making distinctions and adherence to principles. These things must be conscientiously observed as a general principle in our work.

However varied our foreign economic relations are, they can be summarized as exportation and importation. These two aspects interact and are dependent and conditional on one another. Therefore, the key issue in handling foreign economic relations is to correctly handle the relationships between these two aspects and dialectically harmonize them.

Focusing on this key issue, we have to study the following six problems: First, how to attract foreign capital; second, how to correctly introduce advanced science and technology from abroad; third, how to vigorously develop international cooperation in exploiting manpower; fourth, how to energetically market our products in the world; fifth, how to provide economic aid to other countries in accordance with our capability; and sixth, how to correctly handle the relationships between political and economic aspects in our external relations. As long as we have a clear understanding of these six problems and adopt correct policies and vigorous measures to solve them, we will surely be able to continuously make progress in developing our foreign economic relations year by year, and we will surely be able to give increasingly full play to the role of foreign economic relations in promoting our construction at home.

IV. How Should We Attract Foreign Capital?

This is a prominent problem in handling our foreign economic relations at present. It is a problem which we urgently need to solve but which we have as yet failed to solve.

Attracting capital from capitalist countries and areas in accordance with the practical needs and capabilities of our country is a new task that we have never tackled before. That is why this problem is especially important today.

At present we usually adopt the following three methods in attracting foreign capital: First, attracting direct investment in joint ventures, joint management, joint exploitation, compensation trade, processing and assembling; second, striving to obtain long- or medium-term loans at medium or low interest rates from foreign governments and international financial organizations and all kinds of development funds and relief funds; and third, obtaining ordinary commercial loans. At present, attracting direct investment has become the most important method for China to utilize foreign capital. This method has two advantages, namely, that of granting the investor direct interest in what they invest in and that of enabling us to better learn from the advanced technology and management abroad. The successful experiences in many countries have proved that these kinds of joint venture and joint management enterprises themselves constitute economic and technical training courses.

In order to effectively attract direct investment, we should have a set of clear and definite correct policies. First, we must grasp all the large, medium-sized and small projects at once while regarding medium-sized and small ones as the main factor. This is the way to get quick results. Second, we should welcome all capitalists from abroad, including foreign and Overseas Chinese capitalists and those from Hong Kong, Macao and Taiwan. And third, we should to a certain extent relax our policy and allow these capitalists to make profits. If we do not allow them to make money, we will not be able to attract them and we will not be able to open up any possibilities. We will not be able to keep up with the times if we do not act bravely and wisely.

It is imperative to be prudent in using ordinary commercial loans. Since they are loans, we have to repay the principal and the interest. Moreover, the loans should be used in combination with domestic investment to form complete sets of investment. Thus there will inevitably be limitations in our utilization of foreign commercial loans. As for long- and medium-term loans at medium or low interest rates, though we can feel more at ease in utilizing them, their availability is limited. A capitalist is, after all, a capitalist. As long as he is a capitalist, he will always be pursuing excessive profits. We should be especially careful in drawing lessons from the countries that are heavily in debt.

In short, in order to emancipate people's minds, we should sum up our experiences in a timely way and carefully foster model units. The experience in a successful model unit will facilitate the progress in all similar units. Thus we will be able to open up broad prospects step by step.

V. How Are We To Correctly Import Advanced Science and Technology?

There are many ways to introduce advanced science and technology from abroad and we should not restrict ourselves to a few ways. We have five kinds of things to import in this respect: advanced equipment or components; new and fine-quality materials; new principles, data, and know-how; new skills and scientific rules of operations; and advanced management methods.

In importing equipment, we have committed some errors, but we have to make a realistic analysis of these errors. Importing a few complete sets of equipment was necessary not only in the past, but also is necessary now and will be necessary in the future. Our errors in the past were mainly in the following four respects: importing an excessive number of complete sets of equipment; importing the same equipment more than once; importing equipment without importing the technical information to operate the equipment; and failing to study the technology of the imported equipment so as to understand it and popularize it. Having learned lessons from the above-mentioned errors, we will be able to gradually improve our work in this respect in the future.

Regarding the problem of importing new and fine-quality materials, we should first of all make efforts to produce these materials ourselves. We should encourage our specialists and technicians and organize them into key task teams to plunge into production practice, grasp the new production technology, increase the varieties of our products and expand the scale of our production, and thus win glory for our country. However, we should also fully reckon on a long-term policy of importing various kinds of raw materials, especially new and fine-quality materials that are necessary for our construction. In order to grasp all kinds of new technology, all countries in the world have to do so, including the developed ones such as the United States, Japan and West Germany.

Regarding introducing advanced science, technology and management from abroad, we should admit that we have failed to make sufficiently great efforts to learn soundly and modestly from abroad. Now we should further encourage our broad ranks of cadres, intellectuals and workers to have the high aspirations of the Chinese people and turn the slogan of studying science to become more capable and learning from experts into action. We should strive to create a social mood of working and studying hard for the prosperity of our country among all our party members, among the broad ranks of our cadres, intellectuals and workers, and even among all the people throughout our society and nation. This is a task of vital importance.

In introducing advanced science and technology from abroad we should also pay attention to the following two problems:

The first problem is that from now on, we must no longer import consumer goods. Except under unified state arrangements, no departments or localities are allowed to import consumer goods without authorization. The practices of some departments and localities that are importing consumer goods without permission are, in fact, very harmful and shameful activities that impair our national industry. It is an important principle that we must pay close attention to protecting our national industry. We must make the widest possible use of those daily consumer goods that can be made and supplied by domestic units. We should vigorously encourage and develop the spirit of Comrade Zhou Enlai in refusing to wear any watches other than those that are made in China. Only by encouraging our broad masses of people, and above all our party members and cadres, to use Chinese-made consumer goods can we protect our national industry and ensure its smooth development.

The other problem is that we must do a good job in managing foreign exchange in all our central departments and in all the localities under the unified leadership of the state. We must use our foreign exchange where it is needed most. This means that we should use it for the technical reform and the renewal of our industrial equipment. We should use it to import advanced equipment and components that are necessary to develop new lines of industrial production, new and fine-quality materials that are in short supply in our country and that are urgently needed for processing goods for export, certain agricultural means of production that our country cannot supply and that are urgently needed in developing agriculture, and certain kinds of consumer goods that our country indeed cannot supply and that are indeed indispensable in the life of our people. Are we not acting against the interests of our state and people if we waste the limited amount of our hard earned foreign exchange in importing unnecessary consumer goods instead of in importing equipment, technology and raw materials that we urgently need for expanded production and for earning a larger amount of foreign exchange?

VI. How Are We To Energetically Promote Our Business of International Labor Cooperation?

An excessive population is a great problem facing us. On the other hand, our abundant labor force is our country's greatest advantage. We not only have a large amount of surplus labor in our countryside, but also some surplus labor in our state-owned factories and mines. Moreover, every year a large number of people enters the labor force. Therefore the total amount of our surplus labor is very large. If we take the total number of surplus laborers as 100 million and suppose that every laborer is able to produce 500 yuan of products, the total value of their products will be 50 billion yuan a year. The problem now is not that these laborers lack initiative in their work but that they have no opportunities to play their roles. In order to find a way out, we should strengthen our organizational work, open up as many possibilities as possible and be good at giving guidance. As far as we can foresee, in a fairly long period to come, we should first speed up the development of the diversified economy in our countryside and open up as many possibilities in the cities to provide more job opportunities. By so doing we will be able to employ a large amount of the labor force and can, moreover, organize it to produce goods for export. At the same time, we should find employment for them throughout the world and conscientiously develop international labor cooperation.

Our business of international labor cooperation has just begun. In 1981, we sent over 17,000 laborers abroad to work on contracts. This number was too small compared with our potential in this respect, compared with the demand for such labor abroad and compared with the numbers of laborers that other developing countries have sent abroad. Our construction undertakings have shown a sharp competitive edge in contracting for construction projects in the world market and these projects will in turn promote the export of our building materials. From the above we can see that there are bright prospects in developing international labor cooperation.

Labor cooperation is not restricted to contracting for construction projects abroad. It can also be developed in the following three ways: processing materials from foreign businessmen and processing in accordance with the samples or drawings from foreign businessmen; establishing all kinds of enterprises in foreign countries; and energetically developing tourism. It is said by some foreigners that the pottery figurines of soldiers and horses at Lintong are one of the eight wonders in the world and as a result 50,000 foreigners went there to see them last year. We have to improve our tourist facilities and nationally fix the prices of the goods that we sell to tourists in order to increase our sales by narrowing the profit margins. By so doing we will benefit by opening up of more job opportunities and earning more foreign exchange.

It seems that for a long time to come, our manpower will continue to be the most competitive thing we have in the world market. We should give guidance to the cities and provinces along our coastline in vigorously developing the processing of materials provided by foreign businessmen. But we must pay attention to exporting all the finished goods of our processing undertakings and should not allow them to enter the domestic market. Otherwise, the processing undertakings will facilitate the import of foreign goods.

VII. How Are We To Bring Chinese Products Into the World Market on a Still Larger Scale?

China's current export trade is conducted on a too narrow and small scale. We have nearly one-fourth of the world's population, but our share of the world market is less than 1 percent, 0.9 percent to be more exact, which ranks 28th in the world. Of course, in recent years we have to some extent improved our work and have made relatively great progress in this respect, but we should not exaggerate our successes.

There are both objective historical and subjective reasons why the scale of our exports has remained so small for more than 30 years. We should certainly not reproach ourselves too severely for our subjective errors, but we must soberly understand this fact and strive to achieve a relatively great development of our export trade within a short period of time.

Regarding the relationships between exports and imports, there is also the problem of breaking through the old conventions and opening up a new situation.

Generally speaking, exports are the basis of our foreign trade. It will never do if we conduct our foreign trade in the manner of importing only without exporting any goods. We have always been particular about striking some important balances, including the balance of international receipts and payments. However, does this mean that in arranging our export and import business that our imports should be restricted by the value of exports and should not exceed our exports every year? No, this is not a good way of putting it. Regarding this question, we should make all-round arrangements by considering the whole situation, and we should correctly understand and handle the dialectical relationships between exports and imports. That we can only import after we have exported some of our goods and obtained some foreign exchange to pay for our imports is only one aspect of the question. We should see another aspect of the question, namely, our imports can in turn promote our exports. For example, when we lack materials for producing goods for export, we have to import the materials and then process and turn them into goods for export. Only by so doing can we promote our exports. Another example is that by introducing equipment and technology to increase the output and improve the quality of our products, we will be able to make them more competitive in the world market. Thus imports will also promote our exports. These arguments have long been fully proved by the successful experiences in Japan and many other countries and areas. Could these countries and areas have survived if they had restricted the volume of their imports to that of their exports? Therefore, promoting imports by developing exports and promoting exports by developing imports is a kind of dialectical relationship. This relationship can only be rationally balanced and reasonably handled in the course of time, perhaps 1 or 2 years.

What policies should we adopt and in what direction should we strive to increase the export of our products? To answer this question, we have to sum up the experiences in our history. In the past, the export of some kinds of our products relied, to a great extent, on reducing their supply in our domestic market. This was a natural practice during the 1950's because we had very few things to export at that time and could not avoid doing this. However, it is wrong to continue to do so now. Certainly, we can reduce the supply of some high-grade goods and agricultural and sideline products at home in order to export these goods. But even in doing this we should not go too far and we should not base our hopes for increasing exports on this. Otherwise we will bring about an acute shortage of consumer goods in our domestic market, and thus we will not only force our people to reduce their consumption but also make it impossible for the processing undertakings in our country to develop smoothly. Moreover, a shortage of goods at home will impair our people's initiative and will encourage speculative activities in our domestic market. Perhaps some people will say that the United States is also exporting a large amount of agricultural products. This shows that these comrades do not understand the essence of the problem. Agricultural production in the United States has already been carried out in the manner of industrial production, and this is completely different from the agricultural production in the countries of the Third World. The extensive export of agricultural products by the United States is in essence an action to dump its surplus industrial products. On the other hand, when the Third World countries sell agricultural products to developed capitalist countries in exchange for their industrial consumer goods, they suffer the exploitation of the rich countries because of the unequal exchange. We should not follow the path of these Third World countries or we will commit mistakes.

What should we do in accordance with a correct policy? According to our historical and current experiences, we should strive to make progress in the following four directions:

First, energetically increasing our export of mineral products and vigorously developing our export of nonferrous and rare metals. In the past, there was an argument that strategic materials should not be exported. This view has long been outdated. We should emancipate our minds in understanding this problem. Of course, we should arrange our export of these materials in a planned manner and strive to get the most favorable terms in trading them.

Second, conscientiously increasing our export of mechanical and electrical products. In the past few years, we have made relatively rapid progress in this respect, but there is still great potential to tap. We should mobilize the millions of staff and workers in our engineering industry and encourage them to raise the quality of their products and improve their technology in order to enable their products to enter the world market and win prestige for their motherland.

Third, further developing the export of light industrial products, textiles, various arts and crafts articles such as chinaware, cross-stitch work, Chinese medicines, clothes, embroidery products and carvings.

Fourth, developing the export of our special local products such as tea, Chinese medicinal materials, livestock products, natural products and preserved fruits.

Of course, if necessary, we will have to reduce, to an appropriate extent, the domestic supply of some daily consumer goods that are in short supply both at home and abroad and that are much needed in the livelihood of our people in order to increase their export.

We should adopt a series of policies and measures in order to develop our export trade. For example, we should adopt proper policies in support of the development of our export trade, including going out to establish marketing and servicing networks, making increased efforts to improve the prestige of our products, pay attention to product quality, pay attention to honoring agreements, solving transportation problems and port problems, and bringing into full play the initiative of all departments and areas.

VIII. How Are We To Correctly Support the Third World?

Offering support to the peoples of all Third World countries in their just struggles to defend their national independence, develop their national economies and oppose imperialism, colonialism and hegemonism is China's international duty which it cannot shirk. Over the past 30 years and more, China has done a lot of work in such aspects and played an important active role in handling international affairs.

Most of the Third World countries are countries friendly with us and are enthusiastic in opposing imperialism, colonialism and hegemonism. However, their social and political systems and level of economic development differ widely. Regarding the level of economic development of these countries, most of them are poor or the poorest countries in the world and only a small number of them are rich. In terms of per capita average national product, the United Arab Emirates, Qatar and Kuwait rank as the top three in the world, but they are Third World countries. There are also quite a few Third World countries that are much richer than our country. Owing to the abovementioned complicated situation, in carrying out our policies of supporting Third World countries including the policy of giving them economic aid and promoting our economic contacts with them, we should make a clear distinction of their different economic statuses and act accordingly.

One of the facts at present which cannot be ignored is that many of the Third World countries are carrying out their economic construction on a fairly large scale. This is the case in many countries in Latin America, Africa, the Middle and Near East, the Gulf area and Southeast Asia. There are bright prospects for our economic cooperation with them.

On the other hand, we should extend by every possible means material aid to those poverty-stricken countries which are in difficulty and which are subject to external aggression and threats.

Our comrades must understand that supporting the Third World countries is an issue of strategic significance and we should never neglect this issue. Now many Third World countries hope that we will help them in their development. They say that some of the First World and Second World countries have set up factories in their countries to bully them and some are even carrying out subversive activities there. These countries have also expressed their confidence in China. It is reported that in the past few years, India has achieved good results in setting up joint venture enterprises abroad--mainly in other Third World countries. In 1981, the number of such joint venture enterprises was more than 400 and these enterprises were located in more than 40 countries in the world, of which more than 90 percent were in Southeast Asia, South Asia, the Middle East and Africa. We should also do our best to do something along these lines.

IX. We Should Correctly Understand Political and Economic Relations

In order to develop our foreign economic activities well, we should break with some old conventions and set to right the relationships between politics and the economy.

For a long time, we upheld the argument that economics must be subordinated to politics. This argument is partly right but it fails to take every aspect of the problem into account. One of the basic viewpoints of Marxism-Leninism is that economics and politics influence and act on one another but in the final analysis, politics is decided by economics. This is also true in handling the issue of foreign relations. If foreign economic relations are developed in a satisfactory manner, it will facilitate the continuous development of political diplomatic relations. On the contrary, if we fail to open up the prospects for developing foreign economic relations, the development of political relations with foreign countries will inevitably be obstructed and will never be able to be vigorous. The reason why many countries carry out their economic transactions with one another despite bitter political antagonism lies in the demand resulting from their economic interests. Not only the capitalist countries but all countries have to take into account their major economic interests in deciding their political policies. This is a common phenomenon in the world.

In handling the relationships between politics and economics, we should stress that stringent efforts should be made to master advanced science, culture and management methods from other countries, but as for the influence of corrupt bourgeois ideas, we should resolutely oppose them. At present, some people are adopting a diametrically different attitude. They do not work hard to learn from the really advanced things abroad and even completely neglect the study. On the other hand, they treasure the most degenerate and the most evil things from capitalist countries and allow them to become all the rage. We have sharply pointed out this problem for a long time, to call the whole party and the people throughout our country to be on their guard and to pay attention to correctly handling this problem. We should strictly enforce the discipline that governs our external economic activities and tell everyone who is engaged in external economic activities his obligation to observe discipline. If anyone violates this discipline, he will be punished in accordance with party discipline, administrative discipline and the laws of the state. We should intensify our education in patriotism and internationalism and teach all our party members, cadres and citizens to understand that in our contacts with the outside world we should resolutely oppose the corruption of capitalist ideology, safeguard our national dignity and national interests and maintain the prestige of our party and state.

China is implementing special policies and flexible measures in Guangdong and Fujian Provinces, and has also established in the two provinces four special economic zones, namely, Shenzhen, Zhuhai, Shantou and Xiamen. We should intensify our education and make the cadres and masses in these provinces, especially those in the special economic zones, really understand the true implications of the special policies and the flexible measures. What is special is special only when it is compared with what is unified, and what is flexible is flexible only when it is compared with what is in accordance with principle. Both specialty and unity and both flexibility and principle are related with one another. The special policies are adopted under the guidance of the unified national policy. Deviating from the four basic principles and the socialist orientation is not a part of the special policies but is called degeneration. Our flexible measures can play flexible roles only on the basis of firmly adhering to a principled stand. Casting away the communist stand, the party spirit and the party principles is not called a flexible way of doing things but is called capitulationism. This fundamental demarcation line must not be obscured. Through the development of our foreign economic relations, the special policies and flexible measures are primarily aimed at enabling us to do a better job of boldly promoting construction on our own initiative and under better conditions, and to improve product quality, production techniques and management for the sake of making new progress in two fields, namely, the management of economic construction and the development of foreign economic relations.

X. The Profound and Lasting Significance of Expanding Foreign Economic Relations

A major issue that our central leading comrades have been repeatedly mulling over is whether we will be able to achieve material successes in our socialist modernization within this century. We have confidence in this. However, taking our party as a whole, there are still some comrades who lack confidence and a small number of people even doubt it. Naturally, as yet no one can immediately foretell how great our material successes will be in our modernizations and one can only give a rough estimation. If we do our work well, we may achieve relatively great success, but if not, we will perhaps achieve only some small or medium successes. One of the critical issues here is whether we will be able to really open up bright prospects over the next few years.

It is not easy to open up bright prospects. During the initial period of the war of resistance [against Japan], Comrade Mao Zedong and Comrade Liu Shaoqi laid stress on opening up bright prospects. As Comrade Liu Shaoqi so rightly said, there is always a problem of opening up bright prospects during the period of a turning point. This is a historical truth. In the modern history of China, the Taiping Tianguo initially opened up bright prospects, but there was a change in the situation after it took Nanjing and the bright prospects were lost. When Doctor Sun Yat-sen led the revolution, the 1911 revolution opened up bright prospects, but this was brought to an end by his death. The tortuous course of our history tells us that all those who want to lead the historical trend and open up a bright prospect must first of all have a good insight and some courage and perseverance. Moreover they should also have a complete set of correct strategy and tactics. Otherwise, it will be impossible for them to open up bright prospects, and even once they have opened up some prospects, they will not be able to maintain the good situation and win final victory. On the contrary, they will often suffer defeats when victory is already in sight.

To open up bright prospects, our task in the economic field at present lies chiefly in the following four closely connected links:

First, bringing our agricultural potential into full play and particularly bringing about a great development of our diversified economy.

Second, bringing our industrial potential into full play and particularly achieving success in reorganizing enterprises at an early date.

Third, developing China's financial, monetary and commercial circulation in a more healthy way.

And fourth, relatively quickly developing our foreign economic relations.

If in the coming 20 years, we quadruple the scale of our foreign trade through developing our foreign economic activities, our total yearly trade volume will be 160 billion yuan. This figure appears tremendous, but it constitutes only 4 percent of the total yearly trade volume in the world at present.

Lu Zhi, an outstanding statesman and a man well known for his abilities in conducting financial transactions in the Tang dynasty, once said: "Losing a large amount of money because of begrudging a small expenditure, this is what a businessman will not do; and losing a bright future prospect because of pursuing immediate interests, this is what a man of common wisdom will not do." These words were well said. Our comrades who are engaged in economic work should be enlightened by these words. Businessmen who know how to do business, who are good at increasing sales by narrowing their profit margin and who really want to enliven their business will never act in the manner of losing a large amount of money because of begrudging a small expenditure. Even people of common wisdom can understand that it is wrong to give up one's future bright prospects in pursuing one's immediate interests. This means that we should be good at having a thorough understanding of the whole situation and at perceiving the future general direction of the development of things, thus we will have a strategic insight and will be free from shortsightedness.

Have we not always mentioned being of one heart and one mind? Being of one heart means that we should think the same way and being of one mind means that we should struggle together. As long as we really unite our strategic thinking and really coordinate our tactical actions and thus think the same way and struggle together, we will surely open up bright prospects. Of course, this takes time. In the future, we should seek to be of one heart by means of exchanging opinions and conducting investigation and study and we should seek to be of one mind through the practice of fighting together. In short, let us be of one heart and one mind in striving to open up bright prospects so as to develop the cause of socialist modernization of our motherland.

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ON BOURGEOIS LIBERALIZATION AND OTHER ISSUES

Beijing RED FLAG in Chinese No 8, 16 Apr 82 pp 11-13

[Article by Hu Qiaomu]

> [Text] Editor's note: Issue No 23, 1981, of this magazine carried an article by Comrade Hu Qiaomu entitled "Some Present Problems on the Ideological Front." After the publication of this article, some constructive views and suggestions were received from readers on this discussion. Therefore, before the article's publication by the People's Publishing House, Comrade Hu Qiaomu made some amendments and additions to this article based on the views and suggestions of readers. In the amendments and additions, the expositions on the issues of bourgeois liberalization and of the criteria for appraising literary and art works are very important. At present, we are publishing them under the title "On Bourgeois Liberalization and Other Issues." The parts published here are based on the sequential order of the original article with captions and annotations added. The fourth part is not an amendment of the original article, but a new annotation added by the author.

1. On the Meaning of Bourgeois Liberalization

Here I would like to briefly discuss the meaning of bourgeois liberalization. Why do we call the social ideological tendency of opposing the four basic principles which exists in our society at present the ideological tendency of bourgeois liberalization? As everybody knows, the most important freedom under the capitalist system is the freedom of capitalists to carry out exploitation through the hiring of labor and the freedom of safeguarding bourgeois private ownership. This is the most essential point about bourbeois liberalization. The others include freedom of speech; publication, assembly, and association; freedom of election; and freedom for two or more parties to hold office in turn. In the final analysis, all these are derived from the above-mentioned important freedom and serve it. Moreover, this ideological tendency appearing in our society at present is characterized by energetically publicizing, advocating and seeking the freedom of the bourgeoisie and trying to apply the bourgeois parliamentary system, the two-party system, the election system, the bourgeois freedom of speech, publication, assembly and association, bourgeois individualism and nihilism to a certain extent, bourgeois profit-before-everything ideas and actions, bourgeois lifestyle and vulgar interests, bourgeois morals and artistic standards, bourgeois speculation and manipulation, graft and embezzlement, extortion and accepting of bribes, profiting at public expense, appropriating public property, and worshipping and fawning on the capitalist world to oppose our political, economic, social and cultural life, and negate, oppose and sabotage in principle China's socialist cause and negate, oppose and sabotage the leadership of the Chinese Communist Party over China's socialist cause. The social essence of this ideological tendency is to, consciously or unconsciously, try and break away from the socialist path and practice the so-called liberal trend of capitalism in the political, economic, social and cultural spheres. Therefore, we call it the ideological tendency of bourgeois liberalization. Clearly understanding and grasping the significance and characteristics of this ideological tendency will help us to guard against the misuse of this concept and help us to pay attention to drawing clearly some important lines of demarcation. For example, if a party member or a citizen criticizes a certain decision, a certain aspect of work or a certain responsible person of a certain party organization, he is exercising his legitimate democratic right and cannot be described as negating and opposing party leadership or as seeking bourgeois liberalization. Also, the academic freedom and literary creative freedom protected by our constitution and law are essential to the development of science and art, and these are completely different from the bourgeois liberalization mentioned here. No doubt it is necessary to properly solve the relations between collective planning and freedom of individual activity in scientific research organs and artistic undertakings and organizations, but generally speaking, this also does not involve the question of bourgeois liberalization. Conversely, if anyone really wants to negate, oppose and undermine the socialist cause of China; negate, oppose and undermine the leadership of the Chinese Communist Party over China's socialist cause or try to replace socialism and the whole socialist system with the liberal system of the bourgeoisie, we must wage a struggle against him no matter how he defends himself.

2. An Analysis of "Unrequited Love" and "The Sun and the Man"

The reason why we criticized the film script "Unrequited Love" and the movie "The Sun and the Man" based on it, is because they distorted the historical development of practical life in our society. Actually, they negated socialist China and the party leadership and propagated the "freedom" of the capitalist world. In both "Unrequited Love" and "The Sun and the Man," the author and the film's director made use of contrasts and spared no efforts to propagate the following view to the people: The "gang of four" represents the Chinese Communist Party and the 10 years of chaos means socialism. In socialist China, the Chinese people have not yet been emancipated and enjoy no freedom at all. What they display are ignorance and superstition. The party and the people have not won an historical victory in their struggle against the "gang of four." Therefore, there is not the slightest brightness and freedom in China and intellectuals deserve no better fate than persecution and humiliation. It seems that brightness and freedom only exist in the United States and the capitalist world, where the fate and freedom of life enjoyed by intellectuals are the admiration of everyone. Such a viewpoint is a typical manifestation of bourgeois liberal thinking. It is obvious that if we had failed to criticize "Unrequited Love" and "The Sun and the Man" and to educate people in our literary, art and ideological fields and the whole party through criticism so that they could enhance their capability to combat the tendency of bourgeois liberalization, it would have been difficult to maintain the socialist orientation of our literary and art cause and other causes.

3. On the Erroneous Tendency of Seeking Commercialization of Spiritual Products

In our socialist society, just as do material products, most of our spiritual products circulate as commodities. However, both the production of material and spiritual products should have the basic objective or satisfying the material and spiritual needs of the whole people. To attain this basic objective, our departments in charge of spiritual production should not only increase the quantity of the spiritual products, but do their best to enhance quality. In other words, we should make every effort to ensure that every spiritual product has patriotic, revolutionary and healthy ideological content and that it spiritually provides people with aesthetic enjoyment and inspires strength so that they will strive to make progress. At the same time, in spite of the fact that most spiritual products circulate as commodities, no spiritual product can break away from its spiritual objective and be blindly commercialized. In a word, the practice of "taking money as the be-all and end-all" is not allowed. If we depart from the basic objective of satisfying the needs of the people and blindly seek commercialization, we are liable to deviate from the basic principle of socialism. Then there would be no intrinsic difference between the spiritual production of our society and that of capitalist society. In capitalist society, both the production of material and spiritual products is highly commercialized and seeking profit is the sole objective. For the sake of making money, everything can be sold. Even the intuitive knowledge of man, personal influence, and living bodies of human beings can be "freely" sold as commodities. For the purpose of making profits, much spiritual production may unscrupulously produce various kinds of vulgar, philistine, decadent and reactionary spiritual products to corrode the spiritual world of the people basically without any interference. The commercialization and liberalization of such spiritual products is one of the basic reasons why spiritual crisis occurs and cannot be avoided in the capitalist society. At present, owing to shortcomings in their management systems and erroneous guiding ideology, some of our departments in charge of spiritual production, such as the press, editorial sections of publishing houses, and literary and art units have followed the erroneous tendencies of seeking the commercialization of spiritual products to a certain extent. They have defied the socialist principle of meeting the needs of the people who are engaged in modernization and failed to set high demands on publications and the ideological content of artistic activities. Instead, they "have taken money as the be-all and end-all" so that some spiritual products which surely exercise passive influence and corrode people's minds have prevailed in varying degrees. Some people even advocated that our publication and cultural undertakings should not be run by the state and society alone and that free management by individuals should be allowed. In the cultural field, such bourgeois liberal thinking and the spread of various erroneous viewpoints will play a role which cannot but encourage the spread of the tendency of bourgeois liberalization. This is a matter which merits our close attention and should be truly corrected.

4. On the Problem of Criteria for Evaluating Literary and Art Works

We should evaluate literary and art works from the two aspects--ideological content and artistic form. Generally speaking, the ideological content of literary and art works involve a number of things, including political, social, philosophical, historical, moral and artistic viewpoints, and so forth. Obviously, these viewpoints put forth in literary and art works are not abstract, but are connected with the truthfulness of life reflected by artistic images, subject matters, plots and art. Therefore, we demand that while evaluating the ideological content of a work, apart from analyzing its political views and tendencies, we should also analyze its ideological content in other respects and its understanding of the value of life. Only thus can we reflect the overall ideological content of the work. If we fail to do so, we are liable to regard literary and art works as the diagrams of certain political views. With regard to literary and art works with very strong political tendencies, their ideological contents should not be restricted to political tendencies alone, unless they do not possess the characteristics of literary and art works in general. Therefore, we should not reduce the ideological content of literary and art works to political viewpoints and tendencies alone (there is no doubt that revolutionary political viewpoints and political tendencies are absolutely important and necessary for a revolutionary writer). We should not take the political criterion in isolation as the first criterion for evaluating literary and art works. If we do so in a coercive fashion, we are liable to do things in an oversimplified and crude way in practice and obstruct literary and art creation and the healthy development of literary and art criticism.

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A PROBE INTO A DEVELOPMENT STRATEGY FOR SOLVING THE FOOD PROBLEM--TALK ON EXPLOITING PROTEIN RESOURCES AND INCREASING THE UTILIZATION RATE OF PROTEIN

Beijing RED FLAG in Chinese No 8, 16 Apr 82 pp 14-19

[Article by Luo Jingba [5012 0513 2672]]

[Text] Editor's note: This is a good article well worth reading. It is clearly integrated, coherent and easy to understand. In the light of the research findings of many scientists of our country and the actual condition of our agriculture, the article expounds penetratingly with simple language the thesis that China must take the road of giving first priority to plant protein and at the same time appropriately developing animal protein so as to meet the nutritional requirements of 1 billion people.

Thousands upon thousands of comrades who do agricultural work and are related to agricultural production have too little knowledge of science on the one hand, and there is a lack of scientific and technical books which can quench people's thirst for knowledge on the other hand. Therefore, all of us have, in fact, a scanty knowledge of such questions as why a man must eat and what feasible methods we should take to further solve the problem of feeding a population of 1 billion. It seems to be a fantastic story which is hard to believe but which, in fact, is a living reality. In this way, how can blindness not emerge in our work? In order to get rid of blindness and enhance our consciousness, while earnestly implementing the various policies of the CCP Central Committee, we must attach great importance to the position and role of science and technology in our socialist modernization program and conscientiously study and master modern scientific and technical know-how. It is hoped that the departments concerned, particularly the planning and agricultural departments and food and feeding industrial departments and the related scientific research institutions will seriously consider and study the proposals put forth by the article.

People take food as everything. The problem of how to feed a population of 1 billion occupies a very important position in the development strategy for science and technology, the economy and society.

Eating meets the man's needs for nutrition. Man's needs for nutrition are diverse, but the most fundamental ones are for energy and protein. At present, 80 or 90 percent of these two kinds of nutrition needed by our inhabitants are derived from cereals.

According to a nationwide nutrition survey conducted by the health department and its affiliated organizations under the instruction of the State Scientific and Technological Commission in 1959 (Note: Since the 3d Plenary Session of the 11th CCP Central Committee, considerable improvements have been made in the nutrition of our people but the situation in which people lack protein has not changed fundamentally), every day every member of the urban and rural population absorbed on average 2,060 kilocalories of energy and 57 grams of protein. With regard to the nutritional situation at that time, the supply of calories was 10.4 percent less than the standard requirement and that of protein was 18.5 percent less. In the southeastern and southwestern regions of the country, the people's principal food is rice, so the protein content is less, constituting on average only about 60 percent of the standard required supply. It can thus be seen that in improving the people's nutrition, efforts should be made to solve the problem of protein. To this end, the writer of this article would like to discuss some of his tentative ideas on this problem.

The general method for the developed countries to solve the problem of protein requirements is to substantially expand grain crops and to use 60 to 70 percent of the output of cereals as fodder to develop animal husbandry. The average annual amount of grain per capita of countries such as the United States, Canada, Australia and Denmark is above 2,000 jin and that of the Soviet Union, Hungary, Romania and Yugoslavia is around 1,500 jin. Japan is an exception. When Japan began to vigorously develop animal husbandry in 1973, the average per capita amount of grain was only 400 jin and it mainly depended on imported fodder for a solution of this problem.

To reach the level of a per capita average of more than 1,500 jin of grain, there must be more cultivated land. Our country has a large population but limited cultivated land. Therefore, the development pattern of the developed countries does not suit China's national condition.

Since the 3d Plenary Session of the 11th CCP Central Committee, there have been substantial advances in China's agricultural production. Now every person has on average 650 jin of grain. In accordance with the suggestions of the Chinese Society of Physiological Science, to meet the needs of man's body for thermal energy, it is enough for every person to have on average 360 jin of processed grain a year. So, in terms of nutriology, it is not difficult to meet the needs of the whole population of the country for heat energy. The problem lies in the need for protein.

The Nutritive Value of Protein

The cell of all organisms consists of various kinds of protein. Engels pointed out: "Life is the mode of existence of proteins. This mode of existence lies, in essence, in the constant self-renewal of the chemical components of these proteins." ("Selected Works of Marx and Engels," Vol 3, p 120 Protein is the main constituent of the human body. The growth and the daily and hourly metabolism of human beings need to be continuously replenished by protein. The various kinds of protein are chemical compounds of macromolecule which are combined by more than 20 amino acids in accordance with a certain sequence of permutation and space structure. The protein in the human body can be resolved into various amino acids through the functions of various enzymes, and the human body again forms the amino acids into different proteins according to its different needs. There are eight amino acids that cannot be synthesized by the human body; they must be absorbed directly from food. These amino acids are called essential amino acids; they are methionine, lysine, leucine, isoleucine, phenylalanine, theonine, trytophan and valine. The remaining amino acids that can be synthesized by the human body itself are not the essential amino acids in food. The human body forms the protein of the human body in a way that takes a kind of amino acid with the least content as the basic point and absorbs the various remaining amino acids in proportion. Therefore, a so-called nutritional balance is in fact a kind of "short-line balance," that is, of these eight amino acids, any one which has insufficient content will interfere with the full utilization of the remaining amino acids. These incomplete sets of amino acids cannot be formed into the protein of the human body but can only produce thermal energy. They are wasted, so to speak. Therefore, of the edible proteins, whether the proportion of the content of various amino acids is coordinated is a very important problem. The nutritive value of the proteins whose various amino acids are in proportion is high and that of the proteins whose various amino acids are in disproportion is not high. Therefore, in terms of modern nutriology, there is both the question of quantity and quality in the need of the human body for protein. Generally speaking, every person needs on average more than 70 grams of protein a day. This is a quantitative index. Along with this, the eight essential amino acids contained in these proteins must be in a certain proportion and the proportion of any one of them cannot be too little, that is, the nutritive value must be complete. This is a qualitative index. Protein from animal sources generally contains the eight amino acids needed by the human body, and particularly eggs and milk, in which the proportion of the eight amino acids is coordinated, provide complete nutrition. This is the fundamental reason why many developed countries attach importance to developing animal husbandry to solve the problem of edible protein.

Exploit Protein Resources and Increase the Utilization Rate of Protein

In considering solutions to the problem of the need of our people for protein, it is necessary to give consideration to both quality and quantity and to try by every conceivable means to exploit protein resources and increase the utilization rate of protein.

Raise the protein content of cereals and vegetables. Raising the protein content of cereals through breeding work will help substantially improve the protein content of cereals and the nutritional level of cereals in terms of the quantity of protein. Take wheat for example. The protein content of wheat in the areas north of the Huanghe River is about 13 percent and that in the Changjiang River basin is 10 to 12 percent. The protein content of the commodity wheat of the United States and Canada is, on the whole, 15 percent and the protein content of some new varieties that have started to be popularized is 17 to 18 percent. In England, the protein content of the latest experimental variety of wheat is 25 percent. It can thus be seen that the potential for raising the protein content of cereals is fairly large. In the past, in our breeding work, one-sided emphasis was put on output targets at the expense of the nutritive value of crops and of whether the crops suited the people's tastes. In the future, more attention must be paid to the nutritive value of any new variety and to making a quantitative anslysis, and especially making an analysis of the protein content and the composition of amino acids. This requires that agricultural scientific research departments and educational departments enhance the building of a specialized profession of nutrition.

With regard to the food structure of our inhabitants, vegetables are second only to cereals. By and large, the protein content of vegetables is not high, but the protein content of fresh mushrooms is about 3.5 percent, much higher than that of common vegetables (the protein content of Beijing cabbage is 1.1 percent and that of radishes is 0.6 percent). In the process of growth, mushrooms can use the cellulose of plant straws and seed shells for nutrition. None of these things can be digested and absorbed directly by the human body. Therefore, culturing mushrooms by using wood-wool, cottonseed shell and cow dung as a culture medium is an important way to increase the sources of protein. At present, the world annual output of mushrooms is over 1 million tons. In the United States, some people predict that fungus food will become one of the main foodstuffs in the 21st century. Many units in the cities of our country have begun to produce various edible fungi. The annual output of edible fungi of Fujian Province is 40,000 tons and that of Shanghai is 6,000 tons. They are mainly for export. The culturing of mushrooms must be done under certain conditions, but it requires comparatively little investment and promises fairly quick results. It is a kind of labor-intensive and intellect-intensive production, and is in a position to provide jobs for quite a few youths waiting for employment. Some people say it is a kind of "urban agriculture" which has a great future. The underground civil defense projects in many cities of our country can be used for producing mushrooms. However, at present the output of the culturing of mushrooms is not high and the production costs are relatively expensive. This problem needs to be solved through scientific research.

In developing a diversified economy in the rural areas, it is imperative to make the exploitation of protein resources as an important goal. Special attention should be devoted to the utilization of hills, lakes and ponds as well as sea mud and to the planting and gathering of crops and fruits which have a rich protein content, such as Chinese chestnut, walnut, oil-tea camellia, mudou [2606 6258], shiny-leaved yellowhorn, olive, water caltrop and kelp. Most of the seeds of oil-bearing crops have both a high fat and a high protein content. Developing these plants will provide people with the most needed protein and fats. This can kill two birds with one stone. Particular importance should be attached to it.

Revive the acreage planted to soybeans and develop the soybean food industry. Soybeans contain about 40 percent protein and around 20 percent fat. Of the amino acids in the protein of soybeans, besides the fact that the methionine content is relatively poor, the content of the remaining essential amino acids is relatively high. Therefore, soybean is a grain crop with high protein and high fat content, and is a crop which has a relatively complete nutritive structure.

Our country was the origin of soybeans and is called "the land of soybeans." China's acreage under soybeans in the 1930's totaled 220 million mu. Both the output and export volume of soybeans constituted 90 percent of the world total. This figure began to decline in the 1940's but gradually increased after the founding of the PRC. The soybean output in 1956 was 20.4 billion jin and the acreage under soybeans in 1957 was revived to 190 million mu. However, by the 1960's and 1970's, as the result of one-sidedly concentrating on grain output and denouncing soybeans as a "low-yielding crop," the acreage under soybeans and the soybean output had dropped by a big margin. The acreage under soybeans dropped to a minimum level of 100 million mu and the minimum annual output was 14 billion jin. Besides, precisely at this time, the world output of soybeans increased far more rapidly than that of other grain crops. The total world soybean output in 1949 was only 24.8 billion jin, but by 1979 it had increased to 188.3 billion jin, an increase of 6.6 times over the 1949 figure. The soybean output of the United States in the same period increased by 9.7 times and its acreage under soybeans rose from several million mu to 440 million mu, constituting over 14 percent of the acreage under grain crops, and its total output was 121.7 billion jin. Brazil began to import soybean seeds from our country in 1960. In 1970, its acreage under soybeans was no more than 20 million mu and its annual output was 3.1 billion jin, but in 1977 its acreage under soybeans was developed to 100 million mu and its annual output was 25 billion jin, thus becoming the second largest soybean-producing country in the world.

Is soybean really a "low-yield crop"? Calculated in terms of output alone, the output of soybeans is really lower than that of other grain crops (for instance, in 1980 the average per mu yield of paddy rice was 550 jin; that of corn, 410 jin; that of wheat, 250 jin; and that of soybeans, 146 jin). However, judged from the point of view of nutriology and economic results, soybeans can by no means be called a low-yield crop. Compared with soybeans, the protein content of corn is usually around 8 percent. The protein of 1 jin of soybean is equal to the protein of 5 jin of corn, and furthermore the quality of soybean protein is far superior to that of corn. According to the calculations of scientists, the application of every 1,000 kilocalories of energy to 1 mu of land sown with corn will achieve an additional increase of 2.69 kilograms, and the application of the same quantity of energy to soybean production will achieve an additional increase of 1.43 kilograms. The increased amount of soybeans is not as large as that of corn but, calculated in terms of protein content, the protein content of corn is only 215 grams while that of soybeans is 514.8 grams. The protein content of soybeans is substantially higher than that of corn. According to data of the United States, the beef provided by 1 hectare of land sown with fodder grass can only meet the protein requirements of one person for 77 days; that provided by 1 hectare of land sown with wheat, for 877 days; and that provided by 1 hectare of land sown with soybeans, for 2,224 days. There is a lack of protein in our people's nutrition, so more importance must be attached to soybean production. For this purpose, we propose that before 1985, China's acreage under soybeans be restored to the level of the 1960's, that is, 150 million mu, and that by 1990, to the level of the 1950's, namely, 200 million mu, comprising about 10 percent of the acreage under grain crops. China has always attached adequate importance to the planting of grain crops rather than soybeans. The cultivation of soybeans has been invariably extensive. Therefore, the potential for increasing the yield per unit area is enormous. At present the average world per mu yield of soybeans is 200 jin. If we can reach this level by 1990 through ameliorating varieties and improving cropping techniques, then our country will be able to produce 40 billion jin annually and to reach an average of 37 jin per person, the level we attained in the 1950's. China's commodity base of soybeans is in the northeast. There is still enormous potential for increasing production there. Soybean is a hydrophilous crop. There are bright prospects for rotating soybeans with corn, cotton and other crops in the Huanghe River and Huaihe River basins; for interplanting soybeans with dry crops, such as corn and tea, in the south and for dibbling soybeans in parcels of land scattered around fields. This will both boost production and improve the soil through the fixation of nitrogen resulting from soybean root-nodule bacteria, thus contributing to putting an end to the decline of soil fertility. Therefore, gradually restoring and developing soybean production is an important measure for achieving many things at one stroke.

China has a fine tradition of processing soybeans. It has more than 100 varieties of bean products and fermented bean products. Most of them are conducive to raising the nutritional value of soybeans. At present a "craze for bean curd" has arisen in the United States and other countries in the West, a craze in which people like to eat Chinese-style bean products. Over the last few years, along with the advances in food-processing techniques and under the influence of modern nutriology, some countries, such as the United States, have been substantially developing the production of soybean protein. For example, there are nonfat soybean protein, enriched soybean protein, separated soybean protein, tissue soybean protein and others. Apart from the nutritive structure of soybeans, such as the inhibitor of trypsin, haemagglutinin, saponin, and gas-producing factors of intestines and stomach, these processed products increase nutritive value. They are widely mixed into meat, drinks, bread and refreshment products, artificial cream and other foodstuffs. According to statistics, at present in the world there are more than 12,670 kinds of foodstuffs which contain soybean protein. In the United States, every year 1.4 million tons of soybean protein are added to 16 kinds of foodstuffs. In order to raise the nutritive value of soybeans, we must carry on the traditional processing technology of soybeans and at the same time vigorously develop the soybean food industry.

Nearly half of the 15 billion jin of soybeans China now produces every year is used for extracting soybean oil. In the past, large quantities of soybean protein, which could have been digested by man and animals, became compounds which could not be digested and absorbed because of the improper use of heating in the process of extracting oil both by indigenous methods and machines. There were similar cases in the process of extracting oil from peanuts, cottonseed, rapeseed and others. This was a great waste of protein resources. It is necessary to be resolute in transforming our fat industry and to adopt advanced dipping processes, and while extracting fat we must try our best not to destroy protein. There are some problems calling for further study and solution in the choice of solvents, precipitation, deodorization and other processing techniques. In our country at present, most of the bean dregs left over after extracting oil are used as fodder. It is imperative to find new ways to use some of them directly as raw materials for producing foodstuffs, such as synthetic meat, bean powder, bean curd, and salted and fermented soy paste.

Revive and develop compound foods, such as mixed-grain flour, nutritious bread and fortified food. As we mentioned above, the nutritive value of protein is determined by whether the amino acids of which it is composed are in proportion. At present the main sources of protein for our people are cereals. In accordance with the principle of "short-line balance," in the protein of cereals, the lysine content is exceedingly scarce, which affects the role of the remaining amino acids. Lysine became the first amino acid which restricted the nutritive value of cereal protein. The recent experiment of the Nanning Maternity and Child Care Hospital in Guangxi shows that food mixed with two permils of lysine resulted in marked improvements in children's weight, height and health conditions compared with the control group in the experiment. It is known to all that in soybean protein, lysine is relatively plentiful. Mixing a certain amount of soybean powder into corn by utilizing the principle of nutrients complementing each other can raise nutritive value. People in the north have the habit of using mixed-grain flour. We must adopt measures to revive this tradition in grain processing. This is the most practical and effective way to increase the utilization ratio of plant protein. In our country the nutritive value of the composition of mixed-grain flour is as follows:

	Mixed flour I	Mixed flour II	Mixed flour III
Kaoliang (nutritive value of protein: 56)	30%		
Corn (nutritive value of protein: 60)	50%	75%	40%
Millet (nutritive value of protein: 57)			40%
Soybean (nutritive value of protein: 65)	20%	25%	20%
Nutritive value of protein of mixed-grain flour	75	76	83

Although the nutritive value of soybean protein is relatively high, the methionine content of soybean protein is still relatively low compared with animal protein and the protein from milk resources. Therefore, to bring into full play the nutritive value of such plant proteins as soybean, it is necessary to add a certain amount of methionine. Modern science enables the synthesis of the eight essential amino acids through biological methods such as fermentation and chemical synthetic methods. China's problem of producing these amino acids for medical use has now been basically solved. China has experimental factories with a total production capacity of 3,000 tons of edible lysine and lysine for fodder per year. However, other problems, such as the purification of these amino acids, have not been completely solved. Methionine has been produced on a small scale, but its price is nearly 10 times higher than that of imported methionine. We hope that the state will organize its forces to tackle key problems in scientific research in this respect and be determined to promptly set up several big factories each with an annual 10,000-ton plus production capacity in the period of the seventh 5-year plan. By so doing, we can substantially raise the nutritive value of our existing plant protein. This would be a major step in solving the problem of feeding a population of 1 billion. It needs an investment of only several hundred million yuan but promises fairly great economic returns. So we must make early preparations for it.

Develop the feed industry and improve the level of production of animal husbandry. According to study and research, the portion of solar energy transferred and utilized by crops in the process of their growth which can be directly utilized by the human body is only about 25 percent. It is only through animal husbandry that the remaining 75 percent (straw, stems and leaves as well as bran and others) can be transformed into animal protein, fat and so forth which can be utilized by the human body (of these materials, such as straw as well as stems and leaves, which constitute the 75 percent of energy, animals can digest and utilize only 25 percent and a considerable part of the remaining 75 percent becomes organic fertilizer which will become useful material to the human body through transformation by plants). This is the fundamental reason why we must give equal priority to both agriculture and animal husbandry and make strenuous efforts to develop animal husbandry.

In developing animal husbandry, it is necessary to pay attention to nutriology. The needs of animals for nutrition are the same as humans, that is, mainly energy and protein. Energy fodder and protein fodder constitute the principal part of fodder. Judged by a comprehensive survey of our fodder supplies, in the past importance was attached one-sidedly to the supply of energy at the expense of the supply of protein. The failure to ensure a proportionate supply of protein made animals unable to fully utilize the energy provided and thus resulted in the high "ratio between fodder and meat" (that is, several jin of fodder producing 1 jin of meat) in China's animal husbandry. High costs interfered with its development. For instance, in the past, in breeding pigs, we one-sidedly concentrated on the amount of grain and green fodder used for feeding pigs, but neglected the amount of energy and protein contained in the grain and green fodder and the proper proportion between the two. In the 1960's and 1970's, for a while we went in for saccharified pig feed in a big way, but there remained the problem of energy fodder. One of the important reasons why our pigs provide more fat meat rather than lean meat is, apart from the factor of the breed of pig, that we have insufficient protein fodder.

In order to give full play to the role of fodder grain and green fodder, it is necessary to try in every possible way to exploit protein fodder resources and to enthusiastically develop mixed feed, compound feed and whole feed. Such being the case, we must develop the feed industry in a planned and vigorous way in the light of local conditions. This is the road we should follow in accelerating the development of animal husbandry and increasing its economic return.

How should protein fodder resources be exploited? There is a lot we can do in this respect. They are mainly as follows:

1. Fully utilize various existing cakes and dregs. Our fat industry produces nearly 20 billion jin of various cakes and dregs a year, some of which generally contain 20 to 50 percent protein. However, at present more than half of the cakes, such as rapeseed, peanut and cottonseed cakes, are used directly as manure. In our country, it is impossible to completely refrain from using the various cakes and dregs as manure for the time being, because some cake fertilizers must still be applied to some industrial crops. However, it must be realized that by not first using most of the cakes and dregs as feed and then using the waste of poultry and livestock as manure we are wasting protein resources. We must gradually change this situation and strive to make more cakes and dregs than we have at the moment so that they become a source of protein feed in the feed industry through simple detoxification processes.

2. Make full use of leftover bits and pieces, such as animal blood, flesh, bones, skin and pupas, from the meat-processing factories, slaughterhouses, fish-processing stations, and filatures of the cities and the countryside and turn them into various kinds of protein powder through processing.

3. Make use of industrial liquid waste and waste heat to develop unicellular fodder protein from fodder yeasts and nitrogen-fixing blue-green algae.

4. Produce lysine, methionine and various fodder vitamins and biotins and use them as the nutritive additives of feed so as to increase the utilization ratio of various kinds of protein of the feed industry.

5. Strengthen the study of mycelial protein, which uses petroleum and natural gas as raw materials, and develop the petroleum protein industry step by step.

Conclusion

To sum up, we should take the road of giving first priority to the development of plant protein and at the same time developing animal protein. This is a development strategy for solving the food problem, a strategy which suits China's national condition.

The road of giving priority to the development of animal protein which is being taken by the developed countries is in fact a road of using plant protein as feed to meet the nutritional requirements of human beings through the intermediary of transformation by livestock and poultry. This intermediary transformation is fairly inefficient (Note: According to study and research, the transformation rate of pigs is 18.3 percent; that of cows, 12.1 percent; that of milch cows, 25.3 percent; that of layers, 21 percent. That is to say, out of every 100 jin of plant protein, only about 20 jin can be transformed into animal protein and the remaining 80 percent can be used only as manure) and causes a lot of waste. This should not be taken as a model by our country, a country which has a large population but limited usable land.

Compared with plant protein, animal protein contains relatively complete nutrition. However, under the guidance of modern nutriology, we can develop compound food by mixing several plant proteins which contain different proportions of amino acids, thus enabling the plant proteins to complement each other and maintain a nutritional balance. We can develop fortified food, produce lysine and methionine, which plant protein lacks, with industrial methods and mix them into various plant proteins according to the proportion of amino acids in eggs and milk so as to raise their nutritive value.

The road of giving priority to the production of animal protein which is being taken by the developed countries provides relatively good nutrition but also has side effects which easily give rise to diseases, such as coronaries and obesity (Note: These side effects have become an important topic of social concern in the United States and Western Europe. Many scientists put forward plans for food structure which are aimed at reducing animal protein and increasing plant protein. Formerly, Japan's food structure was relatively similar to that of China. But over the last 2 decades, the food structure of Japan has advanced in the direction of giving priority to the development of animal protein, a road similar to that taken by the developed countries. According to recent investigations in Japan, 10 percent of Japanese youngsters suffered from high cholesterol. The shortcomings of this food structure can thus be fairly easily seen). Our country has a tradition of putting a vegetarian diet in first place. For this reason, we have basically avoided these side effects. However, incomplete nutrition of plant protein will also interfere with the improvement of the people's constitutions. The road we have proposed can simultaneously overcome the shortcomings in these two aspects. Of course, we do not in the least mean that we can neglect to expand the production of animal protein and the development of the production of animal husbandry and fishery. No misunderstanding is expected on this point.

To take this road, we must judge the value of various crops in accordance with nutriology rather than the output of the crops, and readjust the overall crop pattern and the whole agricultural structure of our country in a planned and orderly way. To take this road, we must mobilize the industrial and agricultural forces and the urban and rural forces to give equal priority to both industry and agriculture, to combine the city and the countryside, and to unite in our efforts to solve the food problem.

This road has opened up good prospects for solving the food problem of our country. Before the early 21st century, in view of the significant breakthroughs in science, such as biological fixation of nitrogen, genetic engineering and the synthesizing of protein, it will be possible to further improve the protein nutrition of the inhabitants of our country.

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RECTIFY THE IDEOLOGICAL LINE, DEVELOP CONSTRUCTION IN MOUNTAIN AREAS

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[Article by Tie Ying [6993 3841]]

[Text] Within Zhejiang Province there is an endless chain of rolling hills and a wide expanse of mountainous terrain, all of which are rich in resources. But, compared with the plains, the mountain areas are relatively backward both economically and culturally.

Since the 3d Plenary Session of the 11th CCP Central Committee, construction in Zhejiang's mountain areas has taken a turn for the better. A marked change has taken place in the poverty-stricken and backward appearance of these areas. After more than 3 years of hard work, grain output in the areas has increased. Diversified economic forms have vigorously developed. Forestry production has achieved a definite degree of recovery and progress. Many communes, production brigades and production teams have begun to show signs of affluence. In 1981, compared with 1978, in the 26 counties of the mountain areas of the entire province, the gross output value of agriculture increased by 23.4 percent; the area planted with tea increased by 200,000 mu and the gross tea-leaf production increased by 51 percent; nearly 100,000 mu of land were added to the mulberry fields and the gross silk output increased by 60.8 percent; over 98,000 mu of land were added to the orange orchards and the gross orange output increased by over 3 times; the number of pigs, cattle and sheep increased respectively by 17, 3, and 14 percent, and the number of rabbits bred increased by 1.8 times; the gross industrial output value of the communes and production brigades or teams increased by 1.5 times; the installed generating capacity of small hydropower units increased by 58 percent; and 356 mu of land were afforestated. As a result of the development of diversified economic forms, the total quantity of state purchases of agricultural and sideline products increased by 57 percent. The standard of living of commune members was greatly improved. The per capita grain ration apportioned by the collectives increased from 525 jin to 567 jin; the per capita income distributed by the collectives increased from 79 yuan to 96 yuan; and, with income from household sideline production added, the per capita income amounted to 165 yuan and was as high as 280 yuan in some of the more affluent counties.

Reviewing the actual practice in the last 3 years and even over the past 20 years and more, we have come to fully realize that in order to develop construction in the mountain areas, the most basic conditions are that the ideological line must be rectified, that understanding must conform with reality, that guidelines and policies must also conform with reality, and that we must work in strict accordance with natural laws and economic laws.

I. Correctly Understand and Handle the Relationship Between the 70 Percent Mountains and 20 Percent Farmland; Put Construction in Mountain Areas in a Strategic Position

Zhejiang Province has a total area of 100,000 square kilometers of which mountain areas comprise about 70 percent, the plains areas about 23 percent and inland waterways about 7 percent. We generally speak of this situation as "70 percent mountains, 10 percent rivers and 20 percent farmland." Unfortunately, a great proportion of the mountain areas is economically backward and can produce little wealth or affluence. Take the 26 mountain counties for example: The gross value of their agricultural and industrial output in 1978 was only 16.67 percent of that of the province as a whole.

Formerly, many people considered the mountain areas as a burden and as a factor slowing the economic development of the whole province. Influenced by this idea, they frequently focused their attention on the plains, loosened their leadership work over the mountain areas and neglected construction in these areas. Some comrades in leadership organs seldom went to mountain areas to investigate or to do research, and many of the policies and measures were not in conformity with the realities of the mountain areas. Some comrades working in the mountain areas even "failed to see the mountains when opening their doors and did not care for the mountains even though they lived there." This was a one-sided and static viewpoint, and was the main ideological reason for the failure to develop construction in the mountain areas.

After the 3d Plenary Session of the 11th CCP Central Committee, in discussing the problem of developing a true standard which links together realities and summing up past experiences and lessons, we brought up the problem of studying anew the provincial conditions of Zhejiang. We emphasized the need to adopt a viewpoint calling for all-round development in treating the realities of the province. Everybody felt that despite the length of time we have worked in this province, some for a few years and some for over a decade, or as many as several decades, we still lack a clear understanding of Zhejiang's realities and its natural conditions and resources. This being the case, we are unable to offer correct guidelines or adopt appropriate measures. We cannot display our talents or evade shortcomings. We are bound to meet with setbacks. We have to take a zigzag course and thus waste time and miss chances. We have been saying all along that Zhejiang Province is a "land of plenty and the kingdom of wealth and affluence." Naturally this is all true and reflects Zhejiang's special attributes and superior features. At present, people of the entire province depend on the plains as the source of their food and clothing while the state also counts on the plains for part of its revenue. Hereafter, construction of the four modernizations in Zhejiang will have to depend on bringing the advantageous conditions and active role of the plains into full play. However, to stress the plains alone is not sufficient. The plains have a big population but little land. Comparatively speaking, the ground left unused is far less than that in the mountain areas. At the same time, economic construction in the plains cannot be separated from the mountain areas. The mountain areas must be depended upon for the supply of certain essential raw materials for industry, for construction materials, and for other important resources and materials. At present, very little of the aboveground or underground resources of the vast mountain areas has been opened up or utilized. In counties in the lower productive category, the output value per mu of hilly land ranges from 1 to 2 yuan while in counties in the higher productive category it is 6 to 7 yuan. The province has 8 million mu of hilly land suited to forest development. If a third of this land is subjected to intensive farming, then its gross output value would be equivalent to that of the present 27 million mu of cultivated land in the whole province. This shows that the hidden potential of mountain areas far surpasses that of plains. Mountains, rivers and farmland depend on each other and condition each other to form an integrated whole. The waterway system in Zhejiang Province has the defects of insufficient water at the source and too rapid a water flow. Because of this, the heavy erosion of soil and silt from the upper reaches of the rivers seriously damages farmland along the lower reaches. At present, many rivers have become more shallow and their navigable parts have been shortened. Much silt has collected in water reservoirs. A great proportion of farmland suffers from the threat of drought or waterlogging. All these things are the dire consequences of the prolonged neglect of construction work in the mountain areas.

Having rectified their ideological line, the provincial party committee and the provincial people's government adopted a series of measures to strengthen construction in the mountain areas. One of the measures is to make clear to all the idea of making construction in the mountains a strategic focal point in the construction of the four modernizations in the whole province and treating it as a promising factor in enriching the province. The party committees and people's governments at various levels have been requested to pay due regard to both the mountains and the sea. The second measure adopted is that organs ranging from the provincial to the county level have on various occasions conducted large-scale investigation of the mountain areas. In 1980 alone, throughout the province some 30 investigation teams, accompanied by the leadership, went to the mountain villages to conduct investigation and research. They produced several scores of investigative reports touching on conditions in the areas, analyzing them, and making recommendations. Still another measure adopted was the convening of two provincial work meetings on mountain areas. The meetings specially dwelt on the significance, the guidelines and the policy for construction in the mountain areas. Following the second work meeting on mountain areas, the province organized over 20,000 cadres to proceed to the communes and production brigades in the areas to establish authority, to issue permits and licenses, and to enforce the production responsibility system in the mountain and forest areas. The fourth measure taken was to take various steps to aid the development of the economy of the mountain areas such as providing guidance, economic policies and financial and material support.

II. Correctly Understand and Handle the Contradiction Between Forestry and Grain; Determine the Production Guidelines for the Mountain Areas According to Local Conditions

For a prolonged period of time the poverty-stricken and backward appearance of the mountain areas has not been changed and the practice of deforestation and reclamation has not been checked. What is the reason for this? In the past, we simply ascribed this phenomenon to the struggle between the two classes and the two lines but failed to look to the production guidelines to find the reason. Just what should be the guidelines for production in mountain areas? For a long time there has been much discussion on this topic, but so far a correct answer has not been found. In the investigation of mountain areas it has been found, in all places, that the contradiction between forestry and grain constitutes a practical problem that cannot be avoided. In the past, we neglected the realities of mountain areas. We copied in full the slogan of the plains to take "grain as the key link." In some localities, the unrealistic suggestion was made that "peasants in the mountains should not eat any commercial grain" and that "in several years' time we would be able to lift off the 'cap' of grain deficiency." In the process of examining, appraising and comparing the performance of peasants, only the quantity of grain output was taken into consideration, while the quantity of output of mountain and forest products was ignored. In this way the cadre masses in the mountain areas were subjected to great pressure. Manpower and material resources in the mountain areas were not used in the mountains, or in afforestation, or in promoting the development of the processing of the special products of forests. Rather, they were used in opening up mountains and reclaiming farmland, which, in effect, only "bothered the people and wasted public funds." Such conditions as weather, sunshine, soil composition and water resources in mountain areas were totally ignored, and the "triple cropping" system and planting of "double-crop" rice were uniformly practiced. In arranging production tasks, the guidance given was not in accordance with different categories or localities and scant attention was paid to work in mountain areas. Quoting cadres in the mountain areas, "Water buffaloes and oxen basked side by side in the sunshine." This guidance policy, which obviously violated objective laws, has had serious consequences. In some localities, reclamation work was carried out on mountain tops and the mountains were denuded of perfectly good forests. This caused serious soil erosion, closed forest production channels, and dampened the enthusiasm of the masses.

Since the 3d Plenary Session of the 11th CCP Central Committee, we have summed up the experiences and lessons derived from these sources and come to the understanding that one logical premise for transforming this malignant cycle to a benign cycle in production in mountain areas is to pay due attention to the contradiction between forestry and grain and to correctly handle the relations between developing grain production and developing the economy in the mountain areas. People in the mountain areas must fill their stomachs. Hence, grain production should be developed. But how can this objective be achieved? If we disregard the realities of mountain areas and one-sidedly stress the principle of "taking grain as the key link," and if we squeeze out the special products of mountains and forests, disrupt the ecological balance of mountain areas and adopt a farming system not in conformity with the realities of the localities, or, in other words, adopt a guideline of subjectivism, then the result will be barren hills, poor soil, poverty-stricken collectives, empty family coffers and a still lagging grain output. The years will roll by, but the situation of dependence on resold grain will stubbornly remain. People in mountain areas not only do not have money to spend but their grain ration is also very low. Before 1978, all those people in our province receiving an average income distribution from the collectives of 50 yuan or less and an average per capita grain ration of 450 jin or less, lived in counties in mountain areas. Commencing in 1979, we made it perfectly clear that, in general, communes and production brigades in the mountain areas should take forestry as their major profession but, since conditions vary, those suited to forestry should adhere to forestry, those suited to agriculture should take up agriculture, and those suited to animal husbandry should take up animal husbandry. To give people in mountain areas a chance to recuperate, reclamation was gradually stopped and afforestation was gradually resumed. The provincial people's government gave several hundred million jin of grain to be used for reducing the agricultural tax, reducing the state purchases and increasing sales, and subsidizing afforestation. Concerning grain production in mountain areas, the former uniformity in farming was abandoned and in its place a farming system suited to the special features of mountain areas was adopted. In some localities, the triple-crop system was changed to the double-crop system, while in other localities the planting of rice in paddy fields was changed to the planting of dry grain. The planting of beans and peas, potatoes, corn, sorghum, millet and other miscellaneous grains was promoted. Thus, the road of grain production became increasingly broad. In farmland capital construction, emphasis was put on transforming low-yield farmland. The result of this work was that grain production increased. The majority of mountain areas reported an increase in production every year, and the extent of the increase was much greater than that on the plains. With the help of "support grain" from the state, the grain ration and fodder grain of the people in the mountain areas were both generally increased. Qingtian County in the mountain area of southern Zhejiang Province used to feel a heavy burden in relation to grain. All along it has tried to remove the "cap" of grain deficiency but grain production never increased. Every year the county had to ask for an increase in "unified sales grain." In the last 2 years, they adjusted their production guidelines to local needs. They fully displayed the superiority of mountain areas and, as a result, forestry and diversified economic forms developed while grain production also increased. In 1981, after retaining sufficient grain ration and fodder grain for their own needs, the county was able to sell an extra quantity of over 2.3 million jin of surplus grain and reduced the quantity of "unified sales grain" by 7 million jin. Thus, facts have amply justified that if, to start with, we can keep in mind the realities of mountain areas and work according to objective laws, it will be possible to solve the longstanding contradiction between forestry and grain. Violating objective laws will result in both sides losing.

III. Correctly Understand and Handle the Relationship Between "Long" and "Short" in Production in the Mountain and Forest Areas; Insist Upon Using the "Short" To Support the "Long" and on the Union of the Two

The production cycle in mountain forests is a long one. It differs from other agricultural production precisely because of this feature. As the proverbial saying goes: "One generation plants the trees under the shade of which another generation rests." The forests that we have at present are mostly the fruits of the labor of our forefathers. Our work in planting trees and afforestation today is intended in most part for the welfare of our children and grandchildren. Once the forest resources are ruined, restoration will take several scores of years. This special feature of production of the mountain forests requires that we adopt a guideline calling for union of the "long" and the "short." On the one hand, we must protect the current interests of the masses in mountain areas in order to arouse their enthusiasm to devote their efforts to undertaking the building of timber forests which will not yield any benefits until a much later time. On the other hand, we must take a long-term view. Starting from now, we should expand the area of afforestation year after year to achieve the objective of the continuous existence of green hills, good for use forever and ever. We have consistently said: "Support the 'long' with the 'short,' and effect the union of the 'long' and the 'short.'"

In the past, in planting trees and in afforestation, we gave preference to timber forests. We began with the masson pine and followed up with the fir tree. Certain results were achieved. However, we did not at the same time get a grip on the economic forests, which can produce much quicker results. In consequence, the economy of mountain areas became a single-product economy and the income of the peasants was very low. Many cadres felt that "distant water cannot quench current thirst." They despaired because they planted trees every year but failed to benefit by any results.

Since the 3d Plenary Session of the 11th CCP Central Committee, concurrently with getting involved with the construction of forest base areas, we have emphatically got involved with the production of special mountain area products which can yield benefits in a short time or even within a year. This was because we felt that forestry production in our province was making slow progress and that peasant families in mountain areas were generally weak financially and urgently desired an increase in their income and an improvement in their standard of living. Counties in mountain areas analyzed the special features of the localities and summed up the experiences of certain advanced communes and production brigades which had transformed poverty into affluence. They raised the slogan "Heal poverty and get rich." For example, one slogan said: "To make Xin Chang rich, try planting tea and raising rabbits." Another slogan was: "Lin An has three treasures: tea leaves, dried bamboo shoots and hickory nuts." Many counties in mountain areas arranged "experience-exchange meetings" and printed and distributed small pamphlets. Their leading cadres solicited advice from wise people while the populace offered schemes and propositions. In short, a thousand ways and means were tried to open wide the door of production. In order to encourage people in mountain areas to develop their special products, the provincial people's government fixed definite base figures governing the quantity of the state purchases of such special products as tea leaves, silk, oranges, the "three seeds" (tung seeds, tea-oil seeds and tallow seeds), raw lacquer, and resin. Surplus production of these products may be retained on a percentage basis. Extra state purchases will be paid for at higher prices or by sales rewards of grain, chemical fertilizers, and cloth tickets. As a result, in the last few years, there has been a booming growth of such crops as tea, mulberry, tangerines, day lily and so on. Their growth rate has risen every year. Take tea leaves for example: Production in the whole province in 1979 increased by 130,000 dan over that of 1978, the 1980 output increased by 200,000 dan over that of 1979, and the increase in 1981 over that of 1980 was 240,000 dan.

As we see it now, the populace has showed a high degree of enthusiasm for developing the "short" but has not paid sufficient attention to developing the "long." Thus, this requires that we guide the enthusiasm of the masses toward the development of timber forests and other products requiring some years for growth, and to really accomplish the objective of supporting the "long" with the "short." In this connection, we must stress the adoption of the following measures: First, based on the natural resources and economic conditions of the various localities, we must formulate a plan for the overall development of the economy in mountain areas. The plan will grasp both the "long" and the "short." It will capitalize on the "many" but will not lose sight of the "few." The superiority of the localities will be displayed. Second, we must adopt a correct policy. Apart from giving special rewards for the purchases of certain special forest products, the policy we adopt must support the development of timber forests. The requirement is that the 300 people's communes in the mountain areas of the province develop, in the next 7 years, 5 million mu of timber forests. Local financial administrations will earmark a certain amount of funds to subsidize afforestation work. Third, during the course of developing timber forests and bamboo production, we must also pay attention to the combination of the "long" and the "short." For example, bases will be developed for the quick-growth and densely-grown fir, so that in 3 to 5 years time the trees will be ready for intercutting. In the bamboo hills, an area will be reserved specially for bamboo shoot production, so that the populace can more quickly reap the benefits and the development of "specialized bamboo hills" can be promoted. Fourth, we must develop the comprehensive utilization of forestry and sideline products, take the road of overall development of planting, growing, processing and marketing and endeavor to upgrade the economic value of mountain and forestry products. Our province has abundant forest resources. At the same time, its timber requirements are high, the extent of the extravagant use of timber is also great, and every year timber cutting far exceeds timber growth rate. Hence, the comprehensive utilization of timber is all the more important. Facts have also shown that much can be accomplished by comprehensive utilization. A plant making boards from wood shavings in Longchuan County made use of tree tops, tree branches, wood shavings and tree bark to produce 8,000 cubic meters of wood-shaving boards every year. This achieves savings of some 20,000 cubic meters of timber. Besides the comprehensive utilization of timber, the hidden potential is also very great for the comprehensive utilization of bamboo and other forestry and sideline products. Further processing work will enhance the value of these products. If this job is done well, then we not only can convert "wastes" to "treasures" but also enable the large number of skillful artisans in mountain areas to display their skills. Moreover, in so doing we can make and encourage the masses to treasure mountain and forest resources, to protect them, and to develop forestry production much more enthusiastically. As a matter of fact, in this regard we still have a "weak link," and more efforts must be made. Speaking from an even broader view, the opening up and construction of mountain areas should also include the tourist trade. Zhejiang Province has a host of scenic spots. Such tourist spots as Yandang Shan, Mokan Shan, Tianmu Shan, Putuo Shan, Fuchun River and Xinan River are known the world over. If we can link the construction of mountain areas with the protection of natural resources and development of the tourist trade, we can surely attract an even larger number of tourists.

IV. Correctly Understand and Handle the Relationship Between Unified Operation and Dispersed Operations; Arouse the Enthusiasm of the Collective and the Individual Commune Members

Communication is a difficult problem in the mountain areas. Houses are widely scattered and production conditions are backward. Developing construction there requires us to take two separate roads. One is to arouse the enthusiasm of the collectives and to display the superiority of unified management. The other is to arouse the enthusiasm of the individual commune members and display the good points of dispersed operations.

In Zhejiang Province, the great majority of mountain areas suitable for afforestation are owned by production brigades or production teams. Thus, with the exception of the self-retained hills of a small number of commune members, basically there is only one road to take, namely, that of unified operation by the collectives. Moreover, the production responsibility system in mountains and forests is not healthy. In some forests, there has been excessive felling of timber and little afforestation work has been done. In particular, there are over 30 million mu of barren mountains and hills that are sparsely forested. They have defied being "greened" for a long time. This is a problem which urgently requires a solution in the construction of mountain areas in our province.

Following several years of actual practice, people on all sides have acquired a comparatively fuller understanding of the production responsibility system in agriculture. But many cadres do not have any idea of how, taking into consideration the realities of mountain areas, to institute a production responsibility system there, and do not have a uniform understanding of the problem. Some cadres generalize that mountains and forests must be placed under unified management and operation. They neglect the importance of arousing the enthusiasm of commune members in diversified operations. Some comrades do not feel at all concerned about the sight of so many barren mountains, but when they hear that a portion of the mountains will be assigned to commune members to plant trees, they fear this and that. A large number of barren hills are in name under the management of and are operated by the collectives. In fact, no operation has been going on, and the collectives are not capable of doing this work. On the other hand, much labor power cannot find an outlet and cannot find places to work. If such a situation persists, how will it be possible to make so many barren hills green? Which is better--to have, or not to have, trees on mountains? Certainly, having trees there is much preferable. If we can arouse the enthusiasm of both the collectives and the individual members to plant trees, this will create wealth for the state. Our objective and our direction should be toward all mountains being green, toward water in all rivers being clear and toward all mountain areas enjoying affluence. All policies and measures beneficial to arousing the masses' enthusiasm for afforestation should be correct policies and measures.

Judging from the experiences of certain localities in Zhejiang Province, taking the road to the development of forestry production cannot depend on a single "leg" in the form of the collectives alone, or on the "leg" of individual commune members alone. Rather, both "legs" must be used to step forward smoothly and quickly. Having understood this point, people can then formulate concrete plans. Measures suited to local conditions can be shaped and we can pursue diversified economic forms. In mountain areas which are forested, an entire forest can continue to be placed under the unified management of the forest departments of production brigades or communes, or of their specialized teams or specialized units. But the responsibility system of specialized contracting and linking remuneration to output must be instituted. In the case of small forests, we can adopt the responsibility system of assigning the household, laborer, or unit full responsibility for task completion and linking remuneration to output. Unified planning must be done for barren or sparsely wooded hills. Apart from assigning some of them as self-retained hills for commune members, any hills which the collective is capable of managing should be managed by the collective. If the collective is incapable of doing the management work, then decisive measures must be taken and the responsibility for management must be assigned to the commune members, either singly by household or jointly by several households. There should be no change in the rights of ownership, but the household or households doing the planting or afforestation work should do the managing. The yield from interplanting or intercropping may be retained by the household itself, but receipts from the commercial forest should be divided on a percentage basis. This should be a long-term arrangement and should not be readily changed. In our opinion, the adoption of this policy can yield good results and involves no risk. Once the enthusiasm of the vast masses has been aroused, there is hope for making the hills green. We must emancipate our minds, carefully weigh advantages and disadvantages, decide on opportune times and brook no procrastination.

In the last few years, we have done much work in the construction of mountain areas and have achieved certain results. However, in the economy of the entire province, forestry is still a weak link. The "tree-cover" rate of forests is still relatively low, much soil has been eroded into waterways while the poor ecological condition has not been much improved. The task of making Zhejiang green and of constructing the mountain areas of the province is still a difficult one. We are determined to continuously rectify our ideological line. We will continue to conduct sufficient investigation and research so that we can understand better the realities of Zhejiang. Based on a general survey of the natural resources, we will do a good job of agricultural division and will mobilize the various counties, municipalities, communes and production brigades to formulate plans for construction of mountain areas. We will, in a down-to-earth way, endeavor to solve the problems confronting construction of mountain areas. In working in Zhejiang Province, we must keep in mind the welfare of the people of the province. We must do good deeds for them. We will do our utmost to quickly make the great earth green in Zhejiang. We will make the mountain areas of the province more beautiful and wealthy and make the necessary contributions to the socialist construction of the motherland.

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HOW TO VIEW THE CHANGES IN PEOPLE'S LIVELIHOOD OVER THE PAST 3 YEARS

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[Text] Since the convening of the 3d Plenary Session of the 11th CCP Central Committee, the party and the government have, under the situation in which our state finances are still faced with manv difficulties, taken various measures to improve the people's standard of living. The broad masses of people are deeply conscious of and grateful for these measures. But some people have raised some questions in this respect. For example, how much has the people's livelihood been improved over the past 3 years? Have increases in prices accorded with increases in wages? Are we doing too much or too little in improving people's livelihood? This article is intended, through facts and figures, to explain and probe into these questions.

People's Livelihood Has Been Considerably Improved Since the 3d Plenary Session of the 11th CCP Central Committee

For a long time in the past, because of the "leftist" mistakes and particularly because of the interference and sabotage by Lin Biao and the "gang of four" during the 10 turbulent years, our national economy was seriously out of balance and no appropriate measures were taken to improve the people's livelihood. Following the downfall of the "gang of four" and particularly since the convening of the 3d Plenary Session of the 11th CCP Central Committee, the party and government has taken measures to restore order. "Leftist" mistakes have been corrected; the proportionate relations between agriculture, light industry and heavy industry and various economic policies have been readjusted; and agricultural production and the production of consumer goods have been developed in a big way. At the same time, the excessively high accumulation rate has been lowered. With regard to the use of national revenue, the proportion of accumulation has lowered from 36.5 percent in 1978 to less than 30 percent in 1981 while the proportion for consumption was increased from over 63.5 percent to over 70 percent. Of the amount of capital construction investment in the units owned by the whole people, the amount of the investments in production construction dropped from 82.6 percent in 1978 to 58.9 percent in 1981. The investment in nonproduction construction such as that for housing, education, health and scientific research, and public utility undertakings increased from 17.4 to

41.1 percent. Over the past 3 years, the improvement in the people's material and cultural life is shown in the following:

First, peasants' incomes have increased drastically. An investigation made of the incomes of more than 18,000 households of commune members in 536 prefectures showed that the average per capita annual net income was estimated at more than 220 yuan, 80 yuan more than the 134 yuan in 1978, giving an annual increase of over 18 percent for 3 years. Over the past 2 to 3 years, great changes have taken place in both agricultural production and the livelihood of the commune members in some poor regions that were characterized by "relying on resold grain for food, on loans in production and on relief goods in livelihood." Of the total investigated peasant households across the country, the proportion of households with difficulties and with average per capita income of less than 100 yuan has dropped from 33 percent in 1978 to less than 10 percent in 1981.

The increases in the income of peasants is due on the one hand as a result of the implementation of the party's policies for rural areas and the introduction of various forms of the production responsibility system and the development of diversified economic management, and this brought about increases in both production and income. On the other hand, the state has increased the purchase prices of agricultural and sideline products and decreased some taxes in rural areas, and all these have also been helpful in increasing peasants' income. During the 3 years between 1979 and 1981, the peasants across the country gained a total additional income of more than 50 billion yuan because of the increases in the purchase prices of agricultural and sideline products and decreases in taxes.

Second, the income of workers and staff have increased. According to an investigation of the income of the more than 8,700 workers and staff households in urban areas in 46 municipalities across the country, the average per capita monthly amount of income that was used for living expenses in 1981 was 38.6 yuan, 46.8 percent higher than the 26.3 yuan in 1978. When this figure is reduced by the rate of increase in the cost of living of workers and staff, the actual increase in income would be 30.8 percent. As the families of workers and staff have more income, the proportion of households with an average monthly income to be used for living expenses of 20-25 yuan has dropped to 5.4 percent of the total households. The proportion of those with less than 20 yuan has dropped to 2.1 percent.

Over the past 3 years, the party has worked out and implemented various policies and measures to increase production and improve the standard of living of workers and staff. These include opening up more channels for employment. During these 3 years, more than 26 million people awaiting jobs have been employed. The majority of the great number of such people who accumulated over many years have been given jobs. With the expansion in employment, the average number of people (including the workers and staff themselves) that are supported by each worker or staff member dropped from 2.06 in 1978 to 1.77 in 1981. This means that the families of workers and staff have a lighter economic burden, their income has increased, and consequently this situation has promoted social stability and unity. Second, the wages of some of the workers and staff members have been readjusted and the bonus system has been introduced. The total wages paid by the units under the ownership of the whole people across the country and the units under collective ownership in cities and towns in 1981 came to 82 billion yuan, 25.1 billion yuan more than in 1978, with an average annual increase of 8.37 billion yuan. The average wages of workers and staff in 1981 were 772 yuan, 25.7 percent higher than the 614 yuan in 1978 and after deducting the cost of living increase, the actual wage increase was 11.9 percent. Third, the treatment of the cadres and workers and staff who have retired has been improved, and subsidies for family planning, having a single daughter or son, traveling expenses in visiting parents, traveling expenses in going to and returning from work, and haircut subsidies have been increased. All these mean an increase in the family income of workers and staff. The total expenditure on the welfare of the workers and staff of the units under the ownership of the whole people were 6.7 billion yuan in 1978 and 11.6 billion yuan in 1980. It further increased in 1981.

Third, the consumption by the urban and rural population has increased. Over the past 3 years, agricultural and sideline production and the production of daily consumer goods have increased, and consequently there are a greater quantity and more varieties of consumer goods on the market. The total retail sale volume of social commodities in 1981 was 235 billion yuan, 50.7 percent higher than the 155.9 billion yuan in 1978 (with a deduction for the increase in retail prices, the actual increase rate was 36.2 percent). The volume of major food, clothing and daily-use commodities has also increased. The per capita grain consumption in the whole of 1981 was 12 percent higher than in 1978, the consumption of edible vegetable oil increased by 87 percent, that of pork increased by 44 percent and that of cloth increased by 28 percent (the consumption of grain, edible oil, meat and cloth includes direct consumption by the population, the volume processed by catering, foodstuff and tailoring industries and publicly used cloth). The number of sewing machines owned by every 100 persons increased from 3.5 to 5.5, bicycles from 7.7 to 11.1, watches from 8.5 to 15.7 and radios from 7.8 to 14.9. Some families already have the "four big pieces" and they are now adding several "new big pieces." An investigation made of family incomes and expenditure of the workers and staff in urban areas showed that by the end of 1981, every 100 families on the average owned 58 television sets, 43 electric fans, 6.3 washing machines, 13 tape recorders, 4.3 cameras, 44 sofas and 86 big wardrobes.

Now, the consumer products the urban and rural population eat, water and use have not only increased in volume but also in quality. An investigation of the income and expenditure of commune members showed that the average per capita annual consumption of flour and rice in 1980 was 326 jin as against 245 jin in 1978, while the figure for coarse food grains dropped from 251 jin to 188 jin (calculated on the basis of unprocessed food grains). The consumption of quality commodities such as woolen fabrics, silks and satins, knitting wool and woolen sweaters in 1980 more than doubled the figure in 1978. With regard to clothing, in the past people were mainly interested in buying cheap and yet durable clothes, but now they have turned to mainly buying good quality, new style and medium- and high-priced clothing.

Fourth, housing conditions have been improved. Over the past 3 years, the state invested 29 billion yuan in housing; the floorspace of completed new housing facilities was 223 million square meters, an average of more than 74 million square meters every year and 3 times higher than the average annual figure of 18 million-plus square meters during the 10 years of the "Great Cultural Revolution." An investigation of the income and expenditure of the families of workers and staff in cities showed that the average living space of the members of such families increased considerably from 4.4 square meters in 1979 to 5.27 square meters in 1981. A "fever of house building" has emerged in rural areas. Having enough to eat and wear, many peasants have been developing their living conditions in a big way. Expenditure in building houses made up 3.2 percent of the total consumption expenditure in 1978 and jumped to 10.3 percent in 1981. The total floorspace of houses built by peasants themselves over the last 3 years was 1.4 billion square meters. Now the average living space in rural areas is about 10 square meters.

Fifth, the saving deposits of the urban and rural population have increased. The total savings deposits of the urban and rural population by the end of 1981 were more than 52.37 billion yuan, 31.31 billion yuan more than those in 1978 and an increase of 1.5 times. The savings deposits of the urban population were 35.41 billion yuan, an increase of 1.3 times, while the savings deposits of the rural population were 16.96 billion yuan, double that of 1978. The increase in the deposits not only represent increases in the income of the population but also show that the people are fully confident in the development of our economy.

The state has also strengthened the building of a commercial network and public utility facilities in urban areas so as to gradually relax such contradictions as the difficulties of finding a restaurant, buying vegetables, getting repairs done and riding on a bus. Health and education undertakings have also been restored and developed. The number of hospital beds and doctors at the end of 1981 was respectively 8.3 percent and 13.9 percent higher than in 1978; the number of college students was 1.28 million, an increase of 49.5 percent over the figure in 1978 and 33 percent more than 1960 which witnessed the biggest number of the students prior to the "Great Cultural Revolution." Polytechnic schools, broadcasting television universities, and spare-time industrial and agricultural education are developed vigorously. People's cultural life has become more active, the circulation of newspapers, magazines and other publications has increased drastically and broadcasting undertaking has also developed rapidly.

But we must understand that although the standard of living of our people has been improved considerably, it is not high enough and is unbalanced. At present, there are still a few peasants whose food problems have yet to be completely resolved and some workers and staff families are still living a fairly hard life. It is still common for the houses of workers and staff to be too crowded and the development of public utility facilities and scientific, cultural, education and health undertakings does not accord with objective needs. All these have to be gradually resolved along with the development of the economy.

The Growth in the Income of Workers and Staff Was Faster Than the Increase in Prices

Some comrades have said that although the income of workers and staff have been increased over the past few years, the increases have been offset by increases in prices. We have to concretely analyze the increases in prices. Generally speaking, it is true that market prices have increased over the past few years, but the prices of some industrial products were increased while the price of some other industrial products were decreased. For example, the prices of cigarettes, wines, furniture, bambooware and woolen fabrics were increased, but the prices of polyester and cotton fabrics, tape recorders, television sets, electric fans, wristwatches, refrigerators and Western medicines were decreased. The prices of state-rationed basic daily necessity goods such as grain and edible oil remained stable. What the masses have complained much about is the increases in the prices of vegetables and nonstaple foodstuffs. In addition, the nonstaple foodstuffs with state-fixed prices have been in short supply and consequently the commodities with negotiated prices and those available in free markets have increased in quantity. Therefore, compared with 1978, the price index (the average listed price, the negotiated price and the price on the free market) in 1981 was 32.1 percent higher. At the same time, some of the commodities which had their prices lowered are not often bought while those which had their prices increased are daily necessity nonstaple foodstuffs such as vegetables. As a result, the masses are more aware of the increases of prices. But nonstaple foodstuffs only make up less than 25 percent of the total retail volume of consumer goods. The staff and workers have other expenses for food, clothing, daily-use goods, haircutting, bathing and other services. Taken as a whole, in 1981 the price index in the living expenses of the workers and staff in 1981 was 12.3 percent higher than in 1978, and during the same period the average income which could be used for living expenses of the families of workers and staff increased by 46.8 percent. With a deduction of increases in cost of living, the actual income increased by 30.7 percent (if the calculation is based on the average wages of workers and staff, the actual income after deductions for price increases is an increase of 11.9 percent). Therefore, it can be seen that the growth in income which could be used for living expenses of workers and staff was faster than the price increases. Because the management of prices is not strict and some unhealthy tendencies in business ideology still exist in some enterprises, consequently there also exist such phenomenon as marketing low-quality commodities as high-quality commodities, giving short weights, actually increasing prices and changing costs at will. All these have increased the economic burden on the masses. However, it must be confirmed that the standard of living of workers and staff has been improved over the past 3 years. Otherwise, how can we explain the increases in the actual consumption of the families of workers and staff and their savings deposits? Some workers said that over the past few years they have earned more money and that although prices have increased, they found, after meticulous calculations, that their actual standard of living has improved. Such a situation is in line with the actual situations of the majority of workers and staff. A few workers and staff still have not had their wages increased for a long period of time and they have received little or no bonuses.

Therefore, with price increases, there has been little improvement or even a drop in their actual standard of living. Measures must be taken to give special consideration to these workers and staff.

Improvement of People's Livelihood Must Be Based on the Development of Production and Labor Productivity

Some comrades acknowledge the improvement in people's livelihood, but they demand that the improvement must be stepped up. Such a desire is understandable. But the pace of such improvement does not rest with our subjective desire. On the contrary, it rests with the possibility of objective conditions. This is because the pace in the improvement of people's livelihood must in no way exceed the growth in social labor productivity; otherwise our country will not be able to realize the great goal of modernization. In the final analysis, people's livelihood can in no way be improved excessively. Over the past 3 years, almost all of the growth of our state revenues has been used in increasing consumption funds. The growth of the income of commune members and workers and staff has exceeded the growth of the national revenue and industrial and agricultural production. It is necessary to do this because historically the people's livelihood had not been improved for quite a long period in the past. Such improvement has played a positive role in promoting social stability and unity, mobilizing the initiative of the masses in production, and in stepping up the revival and development of economy. But as we have made excessively large steps forward, there have emerged some problems that merit our attention.

First, the subsidies for price increases have become a heavy burden for state finances. In order to stabilize market selling prices and lighten the economic burden of the broad masses of people, the state has over the past few years resorted to financial subsidies for some basic daily necessity goods and for the means of agricultural production. Such a measure is absolutely necessary. Because of incomplete planning and because some places purchase agricultural and sideline products at lower prices, the situation of negotiated and increased prices has developed and consequently price subsidies provided from state finances have drastically increased. In 1981, price subsidies were as high as 32 billion yuan, more than 30 percent of the financial expenditure during the year.

Second, the growth of social purchasing power has exceeded the growth of commodity resources. The amount of currency issued in 1979 and 1980 increased by more than 20 percent each year. After efforts were made, the figure dropped to 14 percent last year, but it was still higher than the growth of the retail volume of social commodities and the total volume of the stock of commodities on hand.

Third, the growth of bonuses exceeded the growth of production by a big margin. The bonuses offered by the units under the ownership by the whole people and the units of collective ownership in cities and towns increased successively over the past 3 years. In 1979, bonuses were 4.6 billion yuan, but in 1981 they drastically increased to 7.8 billion yuan and this figure excluded the material and cash that were given to workers and staff in the name of bonuses. Over the past 3 years, gross industrial output value increased by 23 percent while the labor productivity of industrial workers and staff grew by 6.6 percent. But the bonuses for workers and staff increased by a staggering 6 times.

If these situations continue to develop in this way, the financial deficit will no doubt increase, market demand and supply will become unbalanced and prices will be unstable. As a result, the benefits that have been enjoyed by the urban and rural population will certainly be affected. Thus the steps taken to improve people's livelihood cannot be too big.

Comrade Chen Yun recently pointed out that people's livelihood must be improved. He said the people must not eat too poorly or eat too well. To eat is first and to construct is second. But if we eat everything, there will be no hope for our country. It is only when we have a surplus for carrying out production and construction after meeting the food needs that our country has hope. Thus, in simple words, Comrade Chen Yun profoundly expounded the dialectical relations between people's livelihood and state construction which promote and condition each other.

In the final analysis, the purpose of socialist production is to constantly meet the needs in people's material and cultural life. But the improvement of people's livelihood must be based on the development of production and the improvement of labor productivity. Now our national economy is being readjusted and our state finances are facing many difficulties. Therefore, the broad masses of people must put the interest of the state in first place, contribute their efforts to the country, strengthen their socialist initiative and the sense of responsibility as the masters of their own country, display the good tradition of hard work, and improve labor productivity and economic results so as to increase our state's financial revenues. By doing so, we will be able to form a reliable materialistic foundation for the improvement of the people's livelihood.

CSO: 4004/34

LETTER FROM COMRADE SONG SHILUN

Beijing RED FLAG in Chinese No 8, 16 Apr 82 p 28

[Text] In my article "Mao Zedong's Military Thinking Is Our Army's Guide to Victory" (published in issue No 16, 1981, of RED FLAG), owing to a mistake in my data, I mistakenly put down July 1941 as the date when Comrade Luo Ronghuan put forth in an article the term "Mao Zedong Thought," when it should have been July 1944. Please correct this error and accept my apologies.

Song Shilun

1 April 1982

CSO: 4004/34

VIGOROUSLY STUDY ECONOMIC THEORY

Beijing RED FLAG in Chinese No 8, 16 Apr 82 pp 29-30

[Short commentary]

[Text] Vast numbers of cadres in the state have been studying economic theory in a general way since last February. To sum up, the result of their study has been relatively good. Through study they have initially grasped some basic Marxist political and economic principles; they have gained a better understanding of the experiences and lessons of economic construction since the founding of the republic; they have cleared up the influence of the "leftist" ideology; they have gained a deeper understanding of the party's line, guiding principles and policies adopted since the third plenary session; they have strengthened their confidence in achieving our socialist modernizations; and, on this basis, they have also paid close attention to relating the realities of our four modernizations, studied new conditions and resolved new problems. However, their progress is very imbalanced. They are only interested in studying practicable policies to which the party committee has attached great importance and over which it has exercised good leadership. They have made great progress and scored good results in studying these policies. But they are inactive when it comes to studying the policies to which the party committee has paid little attention. They make slow progress and score relatively poor results in studying such policies. Although some localities and units have made preparations for the study of theory, they do not have a sound system of examination and supervision. The tutorials they provide cannot keep pace with the progress of study, and thus the study period becomes a mere formality. Some localities and units have a poor study plan. They only study vigorously current policies. They ignore and slacken their study of economic theory. A small number of units have not even organized any study of theory. It is necessary for cadres at all levels and leading departments to examine the situation of the study of theory, tackle existing problems, adopt effective policies, urge cadres who are required to participate in the study of theory to finish studying the books listed for them as scheduled and to make real improvement.

Straightening out our understanding is the key to the vigorous study of the theory. First of all, the leading cadres should be far-sighted. They should be fully aware that cadre education in theory plays an important role in the construction of the cadre ranks. The enhancement of cadres' theoretical level has a decisive effect on the mental outlook of cadres, their ability to comprehend, their understanding of policies, and the quality and quantity of their work. Nowadays, the party has shifted its emphasis to economic construction. If we are not armed with Marxist economic theories and if we do not understand the objective law of socialist economic construction, it is obvious that we cannot do our own job well and score good results in the four modernizations. Cadres' failure to analyze correctly the situation and to understand and carry out the party's line, guiding principles and policies can often be explained by their lack of economic theory and knowledge. Cadres at all levels should, therefore, handle cadres' study of theory with a strategic view and take up the work with an attitude of being highly responsible to the revolution. They should also set a good example and take the lead in studying theory well.

Cadres at all levels should also adopt an effective policy on organization and establish and perfect the system of study so as to ensure the completion of the study plan. It is true that current tasks and missions are very intense. However, they should not hamper the organization of cadres' study of theory. In order to resolve the contradiction between work and study, some localities and units have adopted a method of "small concentration" to ensure a period of study and to speed up training in rotation. This method should be advocated as it can bring forth better results. Localities which do not possess such conditions should make appropriate arrangements to ensure a period of study. The study of current policies is very important and should be vigorously carried out. However, it cannot replace the study of theory. We should start the organization of study well and complete it well. We should not do it perfunctorily. We advocate that examination and assessment should be carried out when the study period ends.

The policy of relating theory and practice should be continuously put into effect to improve the quality and quantity of study. The books listed for study should be related to Comrade Mao Zedong's theory of socialist construction expounded in the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" and the fundamentals of our socialist modernizations, to the study of the 10 policies on socialist construction made by Comrade Zhao Ziyang in the government work report at the 4th Session of the 5th NPC, and to the speeches on current economic work made at the national conference on industry and communications on 4 March this year. At the same time, attention should also be paid to relating the practical problems in economic construction and cadres' practical ideological problems in study to improving our understanding and work and to resolving various new problems encountered in economic development. Since quite a few cadres do not have a basic understanding of politics and economics, their comprehension of the content of the study is affected. It is necessary to give them some basic knowledge and more guidance in study, so that they can keep pace with the progress of study.

It is entirely possible to speed up the progress of the study of economic theory to improve the quality and quantity of the study, to complete the study quantitatively and qualitatively as scheduled, and to create good conditions for the study of philosophy which will come next if cadres at all levels have a clear understanding of cadres' study of theory and have an effective policy.

CSO: 4004/34

TAKING PLANNED ECONOMY AS THE DOMINANT FACTOR AND REGULATION BY MARKET MECHANISM AS A SUPPLEMENT

Beijing RED FLAG in Chinese No 8, 16 Apr 82 pp 30-33

[Article by Xue Muqiao [5641 2550 2890]]

[Text] On 25 January of this year, Comrade Chen Yun invited the leading comrades of the State Planning Commission to discuss the question of ensuring that the planned economy plays the major role and regulation by market mechanism the supplementary role. Comrade Chen Yun pointed out: "Industry must use planned economy as the major factor; agriculture is no exception to this. Even after the production responsibility system has been introduced, the planned economy should still prevail." Adhering to taking planned economy as the dominant factor and regulation by market mechanism as a supplement is a major principle in developing the national economy. The broad masses of cadres should firmly maintain this viewpoint.

In recent years, in studying the reform of the national economic management system, we have expressed in many ways the relationship between planned economy and regulation by market mechanism. After testing them in practice, many comrades say that some of these ways are not precise and are apt to be misunderstood. The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC," adopted by the 6th Plenary Session of the 11th CCP Central Committee, pointed out: "It is necessary to practice planned economy and at the same time give play to the supplementary, regulatory role of market mechanism on the basis of public ownership." Last year, Comrade Zhao Ziyang further expounded on the relationship between planned economy and market mechanism in his report entitled "The Present Economic Situation and the Principles for Future Economic Construction" delivered at the 4th Session of the 5th NPC. His exposition completely coincided with the resolution and the spirit of Comrade Chen Yun's speech.

The socialist economy is a planned economy. In economic activities, vital aspects related to the overall national economy, such as the scale of capital construction, the level of people's livelihood, the ratio between accumulation and consumption, and the major proportions of different departments in the national economy, should be strictly controlled by state planning. In order to maintain proper ratios between different departments, the arrangement of all major construction projects and the production and distribution of important products (especially those in short supply) must be subject to state plans. The production and operation of key enterprises should also be conducted in line with state plans. Planning is essential to industry as well as to agriculture. Industry and agriculture are interdependent. If planning is only extended to industry but not to agriculture, the national economy cannot develop proportionately. Meanwhile, it is also necessary to regulate our economy by market mechanism under the guidance of state planning because of the following facts: The development of productive forces in China is still at a low level and there is uneven development in different areas; in respect of economic forms, ownership by the whole people, which takes a leading position in the national economy, coexists with the collective economy, which covers a fairly wide sphere, and individual economy, which covers a smaller sphere (if peasants' household sideline undertakings are included, individual economy then covers quite a large sphere). Most industrial and agricultural products have to be exchanged through markets. The big commodities with limited varieties but great output value, which are vital to the national economy and people's livelihood, need to be produced in line with state plans, while the small commodities with small output value but tremendous varieties, which cannot be completely covered by state plans, can be produced freely according to market demands within the specified limits allowed by state plans.

Planned management requires both administrative and economic measures. Market mechanism can spontaneously regulate the economy according to objective economic laws, but the necessary administrative management cannot be abandoned. In the past, we mainly resorted to administrative measures and to the issuing of mandatory plans in our planned management. Industrial branches arranged production and commercial branches handled purchasing and sales in line with these plans. As a result of the nonconformity between production and market demands, some products were overproduced and others were in short supply, thus leading to serious waste. Therefore, even in implementing mandatory plans, economic measures must be adopted at the same time. That is, we should give thorough consideration to and make use of the law of value and lay down and adjust planned prices for products in the light of their value and market conditions. In order to give full play to economic measures, it can be considered that, after readjustment is largely completed and the balance between supply and demand is attained, although key products with limited varieties which are vital to the national economy will still require mandatory planning, we will not need to issue mandatory plans for the production and marketing of daily-use goods, but can switch over to guiding plans. This method means that the targets of production and marketing set by the state are only references for the production and marketing departments concerned. Commercial departments can purchase goods from industrial departments in line with both planned targets and market demands, while industrial departments can organize production in line with orders placed by commercial departments and market demands. When planned management is conducted in this way, it can reflect market demands better. So long as the major proportion of the products are unifiedly purchased and sold by state-owned commercial departments in accordance with planned prices set by the state, the economy is still being governed by planned management and not by regulation by market mechanism. Only free production within the limits allowed by the state, and those commodity prices which are not unifiedly fixed by the state but float freely according to market conditions, belong to the realm of market mechanism.

After guiding plans for reference are issued, their fulfillment should be guaranteed mainly by economic means and not by administrative means. We should lay down a proper pricing policy, under which the balance between supply of and demand for common products can be guaranteed largely by prices. For some products, this balance cannot be regulated completely by prices; in these cases, we can consider obtaining help from tax rates. For example, high tax rates should be imposed on cigarettes and alcoholic beverages because their consumption needs to be limited, while low tax rates can be imposed on people's daily necessities which can sometimes be exempt from taxes. The prices of a few items (such as grains) can be subsidized if necessary. Regulation sometimes can be carried out through bank loans. If the state needs to develop certain trades, more loans with lower interest rates can be offered to them. But for those trades which the state needs to limit, few or no loans should be made. Also loans can be made at high interest rates, so as to accelerate normal circulation of all sorts of products and diminish overstocking and waste. Mastering the method of applying economic levers, gradually reducing mandatory plans and replacing them with guiding plans for reference, is an important part of the future reforms of our planning system. At present, owing to the irrationality in system, structure and prices, it is difficult to adopt guiding plans, and so it is still necessary to intensify planned guidance and administrative intervention. Of course, even if we learn how to apply economic levers, mandatory plans cannot be completely abandoned. The investment in capital construction of some major projects, the production and distribution of a small number of important materials closely related to the national economy and people's livelihood, especially those in short supply (such as grains and energy sources), all need to be subject to mandatory plans for a long time in the future.

Besides mandatory plans and guiding plans for reference, planned management needs to be carried out in other diversified ways. For example, mandatory plans and guiding plans for reference can be adopted simultaneously; cooperative plans between different areas, trades and enterprises can be implemented. For steel and cotton cloth, the gross volume of production and marketing must be subject to mandatory plans. But the varieties, specifications and assortments, numbering in the tens of thousands, cannot all be set down in state plans and can only be specified through contracts. Some products in short supply must be unifiedly distributed by the state. But, after fulfilling state plans, a small quantity of them may be retained to allow the producing areas to cooperate with areas needing these products. Thus the producing areas can exchange these products for those which it is short of and which even the state is not able to supply. In recent years, coastal cities and industrial areas have invested in inland areas, jointly explored natural resources in inland areas, and assisted technical innovation of industry in inland areas. All this has achieved marked results. Unified plans of the central authorities pursued from above should be supplemented with cooperation plans between areas implemented from below. When working out cooperation plans from below, the fulfillment of product-transfer assignments laid down by the state must first be guaranteed. Cooperation plans between areas should be coordinated on a nationwide scale, thus making these plans a part of the state plan and properly maintaining an overall balance. Without an overall balance, a planned economy cannot exist. Although there is more flexibility in the above-mentioned planned management methods, they still cannot be considered regulation by market mechanism. This is because the cooperation between different areas or state-owned economic departments must be included in departmental or area plans, and is thus coordinated by the central planning department.

Owing to the extent of collective ownership in rural areas, planned management in these areas needs to take more complex forms. In the past, key agricultural products were subject to planned management mainly through pricing policies, thus falling under the scope of guiding plans for reference. When many key agricultural products were in short supply, besides utilizing pricing policies, we also adopted measures of requisition by purchase (for grains), monopoly purchase by the state (for cotton) and quota-assigned purchase by the state (for pigs and eggs) in order to guarantee fulfillment of the purchasing targets for these products. This can be regarded as a kind of planned management with mandatory assignments, adding administrative measures to economic measures. This method can be changed only when a balance between supply and demand is attained or when supply exceeds demand. As long as prices are set by the state, there is planned pricing and most products are unifiedly purchased by organs designated by the state, the adoption of pricing policies in seeking a balance between supply and demand still falls within the scope of planned management. Only the third category of agricultural and sideline products, for which the state does not fix prices, and those products that the state allows to be sold in country fairs or on urban agricultural and sideline product markets, are subject to regulation by market mechanism. State-owned commercial departments purchase agricultural and sideline products from peasants at negotiated prices. This is a necessary supplement to planned purchasing at the present stage. However, the scope of purchasing at negotiated prices must be strictly controlled, lest it adversely affects state purchasing plans.

In line with the above distinction, the production and exchange of most products in our country are subject to planned management; regulation by market mechanism only plays a supplementary role. However, from the viewpoint of varieties of products, there are many more products subject to regulation by market mechanism than there are products subject to planned management. Although the output value of the former is not large, they are still necessary for the people. Thus, regulation by market mechanism is a necessary complement to planned management. At the same time, it should be pointed out that we must apply the law of value when pursuing planned management. All consumer goods in our country are exchanged through markets and are freely bought by consumers according to their own choices. A considerable proportion of the means of production is also exchanged through markets. Thus economic personnel (including planning personnel) must regularly make market surveys and familiarize themselves with the laws operating in the market. In recent years, the reason we stressed the role of market mechanism in reforming the economic management system was that our economic personnel paid too little attention to market conditions and studying economic laws. It is wrong to juxtapose market mechanism and planning regulation without realizing that the latter is the main body. It is also wrong to think that planned management can be conducted without studying the role of regulation by market mechanism, or even to regard utilization of the role of market mechanism as a kind of capitalist liberalization. In order to eliminate the existing phenomenon in which production is separated from marketing, we must continue to thoroughly study market activities and forecast market trends, and promptly revise plans for production and purchasing. Upon discovering the nonconformity of production with demand, we must adjust planned prices. Over the last few years, in the reform of the economic management system, we have gradually implemented the following measures with regard to circulation:

First, the system of monopoly purchase and marketing by the state of many daily-use goods has been changed. Apart from grain, cotton and other vital consumer goods, and petroleum, coal, timber and other important means of production, common commodities can be subject to purchasing plans laid down by commercial departments according to market demands, to the production plans worked out by manufacturers in the light of market demands and to the purchasing plans of commercial departments. Factories without sufficient production assignments can change their products themselves and look for markets. Within limits set by the state, manufacturers can deal directly with retail shops in many items of daily-use goods which the state allows to be marketed in local areas. These transactions need not be handled through wholesale companies. Some commodities can be sold in stores set up by the manufacturers themselves. Commercial departments can purchase many daily-use goods. They can refuse to purchase products not readily marketable. Manufacturers can market products not purchased by commercial departments. Since monopoly purchase and marketing of daily-use goods by the state have been changed into selective purchase and self-marketing, the problems of having many products overstocked or out of stock for a long time have initially been solved, thus reducing waste.

Second, we have increased circulation channels and reduced circulation links. In the past, urban commerce was monopolized by state-owned commercial departments, rural commerce was monopolized by supply and marketing cooperatives, and import and export trade was monopolized by the state foreign trade departments. Thus, the market was excessively controlled and the national economy was hindered from growing healthily. At present, while the commercial departments continue to play a leading role in the market, manufacturers have been allowed to directly market some industrial goods. Some special companies set up by the industrial departments have also been allowed to directly market products (such as machinery and electrical appliances). Communes, production teams and peasants are allowed to sell their products, within the limits set by the state, in urban agricultural and sideline product markets. The state also allows some areas and factories to handle import and export under the unified leadership of the foreign trade departments, or to handle import and export jointly with special foreign trade companies. This reform has played an important role in promoting product exchange between urban and rural areas and between China and other countries. Of course, when we give play to market mechanism, it is difficult to avoid some illegal activities, such as speculation, smuggling and evading taxes. Therefore, the state has to intensify market management at the same time.

The correct handling of the relationship between planned economy and regulation by market mechanism is one of the important links in our reform of the system. We have appropriately expanded the scope of regulation by market mechanism and paid attention to utilizing economic levers in our planned management. Experience over the last 3 years has proved that these reforms have achieved marked results. In order to bring the positive roles of these reforms into play and to prevent negative roles, we must intensify planned management, properly utilize economic measures, use economic levers to handle the economy, step up economic legislation, and strengthen supervision and inspection by customs and industrial and commercial administrative bureaus. Just as the rule of law must be instituted in the practice of democracy, market control must be strengthened in the practice of market regulation. Failure to implement regulation by market mechanism or loosening market control are equally unfavorable to the development of the socialist economy.

CSO: 4004/34

IS THERE ANY CONTRADICTION BETWEEN THE APPROPRIATE RESTORATION AND DEVELOPMENT OF THE INDIVIDUAL ECONOMY AND THE PAST PRACTICE OF TRANSFORMING IT?

Beijing RED FLAG in Chinese No 8, 16 Apr 82 pp 33-34

[Article by He Jiangzhang [0149 1696 4545]]

[Text] The individual economy in cities and towns has been restored and has developed considerably over the past few years; the number of people employed jumped from 150,000 in 1978 to more than 1 million by the end of 1981. This change has caused some comrades to harbor a doubt: Does this situation not mean that the socialist transformation of the individual economy in the past was wrong? This is a question that must be clarified.

First of all, it must be affirmed that big achievements have been made in carrying out socialist transformation of capitalist industry and commerce. The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" points out that "it is a great historic victory." In 1952, the output value of state-owned industry accounted for 41.5 percent of the gross national output value, that of state-private joint industry for 4 percent, that of cooperative industry for 3.3 percent, that of capitalist industry for 30.6 percent and that of individual handicraft industry for 20.6 percent. State commerce accounted for 16.2 percent of the total retail volume of social commodities, state-private joint commerce for 0.4 percent, cooperative commerce for 18.2 percent, private commerce for 60.9 percent and peasants retail for 4.3 percent. That means that industry at that time, particularly the commercial sector, was under the dominance of the capitalist economy and the individual economy and that the question of "which will win" as between socialism and capitalism had yet to be answered. In order to overcome capitalism, it was imperative to carry out socialist transformation of the capitalist economy and individual economy, and there was an objective need for developing social productive forces. By that time, the capitalist relations of production were not in line with big economic construction, and it was difficult for the individual economy to develop because it was scattered, backward and lacked funds. Individual commerce and industry were almost at a standstill prior to socialist transformation. Between 1952 and 1955, the output value of individual handicraft industry dropped from 20.6 percent to 14.8 percent of the total industrial output value. Following gradual socialist transformation, the handicraft industry made rapid progress in production because of concentrated strength, division of work and more funds. For example, between 1953 and 1957, the labor productivity of the staff and workers of the handicraft cooperatives in Beijing Municipality grew an average of 16.3 percent annually. What is more important, the socialist transformation of individual industry and commerce helped get rid of the soil that bred capitalism, and it consolidated the position of socialism and answered the question of "which will win."

But at the same time some mistakes occurred in the process of socialist transformation. After the summer of 1955, the transformation of agricultural cooperatives, handicraft industry and individual commerce was done too hastily, roughly and dogmatically and, as a result, this work left a legacy of some problems that existed for quite a long period. What was the reason for these problems? Comrade Chen Yun pointed out at that time that, in the process of cooperativizing the handicraft industry, there was too much merging and there was unified calculation of profits. Consequently, the quality and varieties of some handicraft products dropped as compared with what they were in the period when everyone was managing his own business. Following merging, some handicraft units in the service sector were greatly inconvenienced, and so were residents. It was in this situation that Comrade Chen Yun proposed that "the production of a considerable part of industrial products, handicraft products and agricultural sideline products and commerce must be carried out dispersedly and with dispersed management"; "small businessmen and peddlers must manage their own businesses within the framework of cooperative groups, and this situation must be maintained for a long period of time." ("New Questions Following the Basic Completion of Socialist Transformation") He also said: "The situation of our socialist economy should be like this: With regard to industry and commerce, the state and collective management are primary but industry and commerce are supplemented by certain types of individual operations." (ibid.) It can be seen that the method that is used today for appropriately restoring and developing the individual economy was suggested by Comrade Chen Yun more than 2 decades ago. At that time, he suggested some measures to solve the partial shortcomings and mistakes under the premise of fully affirming the great and decisive victory of our socialist transformation. Today we are merely implementing these measures, and we are not denying the necessity and correctness of socialist transformation. By so doing we will be able to make the structure of all ownership at the present stage accord with our national conditions so that this structure will become more beneficial to activating the economy and to promoting the healthy development of our socialist construction.

Today we are appropriately restoring and developing the individual economy, but this does not mean that we are restoring it to the situation prior to socialist transformation. The range of the individual economy at the present stage is limited, while in the past it covered everything. Furthermore, after socialist transformation was basically completed, and particularly under today's circumstances in which the economy under the system of socialist public ownership predominates, the individual economy is no longer at a crossroads; it depends on and is a necessary complement to the socialist economy. We can resort to economic and administrative ways to bring the individual economy onto the path of serving socialist construction. Of course, the individual economy has its spontaneity and blindness and it might be contradictory to the planned development of the national economy. Therefore, in order to avoid passivity, it is necessary to strengthen control over the individual economy.

CSO: 4004/34

HOW DO WE UNDERSTAND THE COEXISTENCE OF DIVERSIFIED ECONOMIC FORMS AT THE PRESENT STAGE IN OUR COUNTRY?

Beijing RED FLAG in Chinese No 8, 16 Apr 82 pp 34-35

[Article by Wu Shuqing [0702 2885 7230]]

[Text] Since the 3d Plenary Session of the 11th CCP Central Committee and following the readjustment and transformation of the national economy, there have existed diversified economic forms in our country. Some comrades do not have a good understanding of this situation, and they even wonder whether the past socialist transformation might have been wrong and that we are retrogressing. In order to eliminate such doubts, it is imperative for us to compare the existence of diversified economic forms at the present stage with the existence of diversified economic forms prior to socialist transformation and analyze them.

First of all, there existed three basic economic sectors prior to the completion of socialist transformation. They were the socialist state economy, the individual economy of peasants and handicraftsmen, and the capitalist economy. It is true that at that time the socialist state sector of the economy had already grasped the major state economic lifelines and had even established a leading position in the struggle against the capitalist economy. But the socialist economic sector was not yet in a predominant position throughout the whole national economy. The individual peasant economy was still in the predominant position in agriculture, which was the basis of the national economy. The capitalist economy still dominated a considerable proportion of industrial production as well as the circulation of commodities and, at that stage, it still constituted a power that could in no way be neglected. Thus at that time, diversified economic forms "coexisted" under the situation in which the economy with public ownership was not in predominant position. Consequently, our society was still at the stage of transition and it was yet to become a socialist society.

But today, basic changes have taken place in the situation of our socialist economy. The socialist state economic sector and the collective economy are in predominant positions in regard to the volume of the means of production and funds, in the number of laborers employed as well as in providing society with products and labor services and in national revenues, and they have also become the basic economic forms of our country.

Marx pointed out: "In all social forms, there is a certain production which dominates the position and influence of all other production and therefore its relations dominate the position and influence of all other relations. It is a generally illuminating light and all other colors are submerged in it and consequently they change their features." ("Selected Works of Marx and Engels," Vol 2, p 109) At the present stage, socialist public ownership is this "illuminating light" in our socialist economy. As socialist public ownership is in a predominant position, the nature and features of other economic sectors have consequently changed drastically compared with the past.

With regard to the individual laborer economy that still exists within certain limits at the present stage, it is true that this kind of economy still only possesses a little of the means of production and, therefore, it has a nature of private ownership. However, it differs with the individual economy in the old society. Such individual laborer economy also has experienced big changes if it is compared with the individual economy that widely existed prior to the socialist transformation. The individual economy at that time was an economy at the crossroads. It might have taken the socialist road or might have combined with the capitalist economy to become a hotbed for the emergence of capitalism. Now, all the related aspects of the individual economy such as range, scale, mode, the resources of raw materials, sales prices, and the standard for charges are all conditioned and influenced by the socialist economy and are under the leadership and management of various government departments concerned. So the existence and development of such an economy depends on socialist public ownership; it is complementary to the economy with socialist public ownership and it displays a role of "making up for omissions and deficiencies."

Our country has allowed foreign economic institutions and individuals to invest and undertake various forms of economic cooperation under the laws and regulations of the PRC. All such foreign enterprises, economic institutions, and joint ventures between Chinese and foreign capital must abide by the laws, regulations and policies of our country. Because of this, they are all different from the capitalist economy in the past. Their existence will in no way affect our socialist economic system; on the contrary, they are in the interests of our modernization program.

Second, prior to the completion of socialist transformation, the contradiction between the socialist economy and the capitalist economy was the main contradiction of the transitional economy. The nature and the trend in the development of various nonsocialist economic sectors were contradictory to the growth and development of the socialist economy. Their contradiction with the socialist economy was the main contradiction and the question of "which will win" had not yet been resolved. This was the reason why it was imperative to carry out socialist transformation of the means of production with private ownership and realize the transition from new democracy to socialism.

The question of "which will win" between socialism and capitalism was basically resolved following the completion of socialist transformation, while the contradiction between people's increasing material and cultural needs and backward social production began to become the principal domestic contradiction. An important measure for resolving this contradiction was to carry out a socialist modernization program and develop social productive forces in a big way. Under such conditions, the contradiction between the socialist economy and other economic sectors became a secondary contradiction. Under the leadership, supervision and influence of the socialist economy, it was important to use these economic sectors to develop production and improve people's livelihood. For example, restoring and developing a certain quantity of individual economy is in the interests of increasing production, as are promoting market activities, arranging employment, bringing convenience to the masses, improving the management of the economy with public ownership and improving services. The spontaneous tendencies of this individual economy can be resolved through strengthening management. With regard to such economic forms as joint ventures between China and foreign companies and foreign capital, it is true that they have a feature of seeking profits, but what is more important is that the permission given for the existence of these economic forms is in the interest of absorbing foreign capital, importing new technology and equipment, and learning from advanced management systems. All this will benefit our socialist modernization program. But we must guard against the negative influences of these economic forms and the influence of decadent capitalist ideology and fight against their corrosive influence.

In short, the coexistence of diversified economic forms at the present stage in our country is totally different from the coexistence of diversified economic sectors prior to socialist transformation. The existence of diversified economic forms does not mean a "retrogression" to the situation prior to socialist transformation. It is in fact a necessary readjustment in production relations under the premise of upholding basic socialist principles and it is in line with our national conditions. The coexistence of diversified economic forms is not an expedient measure, it will continue for a long time to come.

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STRENGTHEN RURAL PARTY ORGANIZATIONS AT THE BASIC LEVEL

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[Article by Jing Dong [0079 2639]]

[Text] A very important problem at present is to strengthen the rural party organizations at the basic level, give full play to the role of rural party branches as fighting bastions and to the exemplary vanguard role of party members, and lead the rural cadres and commune members in building socialist material and spiritual civilizations.

Generally speaking, the party organizations at the basic level in China's broad rural areas are good. This must be fully acknowledged. The rural areas throughout the country are full of vitality. The commune members are full of joy. Development of agriculture is on the ascendant. How has this situation come about? First of all, the party's line, principles and policies are correct. In addition, this situation is inseparable from the efforts of rural party organizations at the basic level and of commune members. In the past few years, in various rural areas, the party organizations at the basic level and the commune members have gotten rid of "leftist" ideological trammels; enthusiastically propagated and implemented the party's line, principles and policies; persisted in socialist collectivization and in the public ownership of the basic means of production such as land; energetically carried out and perfected various forms of the production responsibility system; developed agricultural production in line with local conditions; and done a great deal of meticulous ideological and organizational work. Those who originally failed to see why various forms of the agricultural responsibility system had to be carried out have through practice seen the advantages of this system. They have gradually realized why this system must be carried out, and they have regained the initiative. There has been great improvement in the work style of party members and cadres. The relations between the party and the masses are becoming closer every day. In short, the great majority of the rural party organizations at the basic level are combatworthy.

Then, can we say that we do not have any problems? Of course not. We still have many problems, and the problems in some places are very serious. The rural party organizations at the basic level have the problem of slack and weak ideological work. For instance, owing to the long-term influence of "leftist" guiding thinking, there are still obstructions to the implementation of the party's and government's rural policies; since the carrying out of the production responsibility system, the problem of how to correctly handle the relations between the state, the collective and the individuals has become prominent; gambling and superstitious activities are rampant in some places; civil disputes and criminal offenses often take place; in particular, illegal and criminal activities such as corruption and embezzlement, speculation and profiteering, smuggling and appropriating collective and state property and materials are rampant in some places. To solve these problems, the rural party organizations at the basic level must be strong and have combat effectiveness. But some party organizations at the basic level are at their wit's end and powerless in the face of these problems. Some are even in a state of paralysis and disintegration, and many problems are not dealt with. This phenomenon merits attention.

Our party is in power. The rural party organizations at the basic level are the rural basic leading cores. The party's line, principles and policies must be propagated and implemented through the party organizations at the basic level. Work and tasks in the rural areas must be completed by the rural cadres and the peasant masses under the guidance of the party organizations at the basic level. Contradictions in the rural areas must be solved through profound investigation and study and meticulous ideological work carried out by party organizations at the basic level. Unhealthy trends in the rural areas, especially illegal and criminal activities in the economic field, must be combated by the rural basic-level cadres and peasant masses under the guidance of party organizations at the basic level. We must first do a good job in strengthening the rural party organizations at the basic level so that we can build socialist material and spiritual civilizations in the rural areas.

Since the extensive implementation of various forms of the production responsibility system in the rural areas, some comrades have felt that it is not so important to strengthen the rural party organizations at the basic level. Some people say: "Now that grain and cotton output quotas are fixed for each household, the party branches do not have to bother about production. Since each household is solely responsible for its own production, there is no longer any need for the leadership of the party branches." This view is obviously wrong. Since the implementation of various forms of the production responsibility system, the tasks of the rural party organizations at the basic level have not, in the slightest degree, become lighter. On the contrary, the organizations have heavier tasks because many new situations and problems have emerged since implementation of the production responsibility system. We will not be able to tackle these new situations and problems without the leadership of party organizations at the basic level. We know that implementation of the production responsibility system has brought into play the production initiative of the peasants. This is excellent. But because some people still have ideas and habits left over from the old society, and furthermore are influenced by the decadent bourgeois ideology and way of life, they sometimes show no consideration for the interests of the state and the collective. This must not be overlooked. There are the following phenomena: Some people have, disregarding the requirements of state plans, expanded the areas grown to those industrial crops from which a high income can be obtained; some people only care for selling their agricultural and sideline products on the free market at high prices regardless of whether state purchase quotas are fulfilled; some people are not enthusiastic about fulfilling the tasks of the collective, are not willing to participate in public welfare work and in the work of showing consideration for the families of armymen and martyrs, the "five guarantees" households and households with material difficulties, but only think of attaining individual wealth; and by doing harm to the interests of the state and the collective, some people try to get petty advantages at the expense of the state and collective economies under all kinds of pretexts, fleece the state and even violate the law and discipline. If these problems are not solved, the production responsibility system cannot be consolidated and perfected, nor can the rural economy develop healthily. Therefore, the party's ideological and political work in the rural areas must be strengthened; it cannot be weakened. Since implementation of the production responsibility system, the rural party organizations at the basic level have had a great deal of work to do. It is not true that they are not essential.

In the final analysis, the reason why the rural party organizations at the basic level still have problems and why the leadership of the party has been ignored and even abandoned since implementation of the production responsibility system is that the influence of the leftist erroneous tendency has not been eliminated. In the past, people always talked about "taking class struggle as the key link." They were accustomed to this way of doing things, and they had the old approach to their work. Since the 3d Plenary Session of the 11th CCP Central Committee, the focus of the work of the whole party has been shifted to socialist construction by centering on the four modernizations instead of on political movements. Some comrades have not been able to adapt themselves to this new situation. Since implementation of the production responsibility system, especially since many places began to implement the system of fixing output quotas for each household or of assigning work to each household, the past method of urging the peasants to carry out plowing and planting and of relying on administrative orders has become outmoded, and these comrades are not accustomed to the new system. It is just as some people say, "The old methods did not work, but we do not understand the new approach." As a result, they do not know how to take charge of their work. Many comrades have long been engaged in party work at the basic level, but under the influence of the leftist erroneous tendency, they amassed a lot of "experience" in carrying out class struggle and did a lot of administrative work instead of party work. In reality, they are not sufficiently experienced in party work. Therefore, party organizations at the basic level must eliminate the leftist erroneous tendency. They must shift the focus of their work not only from class struggle to economic construction, but also from administrative work and production activities to party work, learn how to carry out party work and strengthen party leadership.

What is party work? In the main it is building the party and carrying out ideological and political work. Rural party organizations at the basic level have the responsibility of leading other rural basic level organizations such as organs of political power, economic organizations and mass organizations. But this does not mean that party organizations at the basic level should take on everything. Being functions of collective economic units, the leading economic functions of production brigades and production teams must be retained. Being functions of organs of political power at the basic level, the functions of communes (towns) and production brigades (villages) must be strengthened. Commune party committees and production brigade party branches should support organs of political power and economic organizations at the basic level in shouldering their tasks, but they should not interfere in specific administrative affairs and production activities. Besides, by relying on the role of party members in various leading positions, the leadership of party organizations at the basic level over other basic level organizations and the broad masses in the rural areas is realized mainly through strengthening ideological and political work. In other words, party organizations at the basic level should at all times pay attention to their own building and frequently educate party members to maintain close ties with the masses, do ideological work and play an exemplary vanguard role among them, closely unite them around the party organizations and lead them in their advance. The reason why our party can shoulder the responsibility of leading the broad masses is that the party's line, principles and policies represent the interests of the broad masses and that, through propagation, the party's line, principles and policies can be implemented among the masses until the masses understand their own interests, unite and work hard for their own interests. Therefore, the fundamental way to bring into full play the leading role of rural party organizations at the basic level is to strengthen the building of these party organizations. Otherwise, strengthening party leadership will be nothing but empty talk.

Then, how should we strengthen party organizations at the basic level? We should start from the specific conditions of local places. Generally speaking, we must strengthen the leading groups, enhance the political quality of party members, strengthen the regular activities of party organizations, correct unhealthy trends and carry out the struggle against the corrosive influence of bourgeois ideology.

The key link for strengthening party organizations at the basic level is to do a good job in building the leading groups. Whether the party organizations at the basic level are firm and energetic or lax and weak is determined mainly by the status of the leading groups. Many party members in some leading groups are getting on in years. These comrades have been trained and educated by the party for many years. They are intrinsically good and have work experience. But they are not very vigorous. Furthermore, some of them have been deeply influenced by the "leftist" ideology, so they lag behind the situation and cannot efficiently carry out the party's line, principles and policies. Some leading groups have redundant personnel who cannot work with one mind and who always engage in disputes over trifles; they cannot form a firm and energetic leadership core. The cultural level of some members of leading groups is so low that they cannot even transmit to the masses the essence of instructions from the CCP Central

Committee or from a higher party committee, to say nothing of leading agricultural modernization. What merits special attention is that some members of leading groups are not pure. Some bad elements have sneaked in, or good members have degenerated because of the corrosive influence of bourgeois ideology and of the bourgeois way of life. They have embarked on the criminal road of engaging in graft and embezzlement, speculation and profiteering, smuggling, bribery and appropriation of state and collective property. Therefore, we must clear bad and degenerated elements out of the party so that we can build the leading groups well. Those who politically undermine the party's regular activities and who economically violate law and discipline must not be allowed to remain in the leading groups. In addition, we must find a way for the leading groups to solve the problem of their members being advanced in years, too large in number and too low in cultural level, and fill the leading groups with educated middle-aged and young party members who can resolutely implement the party's line, principles and policies. We must do the work of readjusting the leading groups strictly according to the election system stipulated in the party constitution, namely, party branch committees should be elected in a democratic way by party members. Generally speaking, it is not appropriate to adopt the methods designated by higher party committees. In some places, party branches have not been reelected for many years. These party branches should energetically create conditions and carry out reelections according to the stipulations of the party constitution. In the future, they will be required to have an election once a year. Through regular elections we can build firm and energetic leading cores which have strong party spirit and good work style.

The total number of rural party members throughout the country is large. Besides developing appropriately and in a planned way new party members who are really up to standard in those places where party organizations at the basic level are comparatively good, we must also educate the party members we now have and raise their levels. Comrade Deng Xiaoping pointed out 2 years ago that some of our party members did not have the requisite qualifications. This problem has not yet been totally solved. The great majority of rural party members are intrinsically good, but a certain number of them have low political consciousness, weak party spirit and low sense of organization. They have neither committed any mistake nor played any role. Since implementation of the production responsibility system, some party members have had the following idea: "Since output quotas are fixed for each household, everything we do is to make individuals well off; and since production tasks are assigned to each individual, everything we do is in regard to individual interests." They do not bother any more about the ideal of communism, the cause of the party, and the interests of the state and collective. Some party members do not want to be cadres any longer, saying that cadres are always at a disadvantage Some party members even say: "Eating and spending money require effort, but whether one is a party member does not make much difference." They are unwilling even to participate in the party's regular activities, let alone fulfilling the tasks assigned by the party. With regard to this phenomenon, we must strengthen the education of party members and change the situation in which some party members do not have the requisite qualifications. We must understand that implementation of the production responsibility system means that we must set higher requirements for party members and not vice versa. Party members must not only be like commune members in conscientiously implementing what is stipulated in the responsibility system, but also maintain close ties with the masses, do ideological work among the masses and energetically do propaganda work, and take the lead in implementing the party's principles and policies. They must take the lead in implementing contracts and fulfilling the purchase tasks of the state and the tasks assigned by production teams. They must take the lead in participating in public welfare labor and actively help households with material difficulties to solve their problems in production and livelihood. They must take the lead in observing law and discipline and in combating unhealthy trends, and guide the masses in becoming well off through manual labor. They must take the lead in cultural study and in the study of scientific knowledge, and popularize advanced agricultural technology. They must take the lead in carrying out family planning and in changing prevailing habits and customs. In short, they must play an exemplary vanguard role in everything they do. To do all this will be utterly impossible if we do not have the lofty ideal of communism and the socialist consciousness of loving the country and the collective, and if we do not have the revolutionary spirit of utter devotion to the public and of serving the people without thought of self. In order to build well party organizations at the basic level, we must adopt practical methods and improve the political quality of rural party members. Training party members by rotation is carried out in some places during the slack season in farming. Education on the party's basic knowledge, on the party's principles and policies and on the situation and tasks is also carried out in these places. Practice has proved that good results can be obtained in this way.

Perfecting the organizations' regular activities is an important part of strengthening party organizations at the basic level. Our party is the vanguard of the proletariat and is a united militant collective composed of advanced proletarians. One important reason why it has become the leading core of the broad masses and why it has invincible strength is that it is an organization. Engels said: "Organizations are the most important weapons." ("Collected Works of Marx and Engels," Vol 19, p 284) The combat effectiveness of rural party organizations at the basic level is to a great extent determined by whether the organizations' regular activities are perfected. If a party organization at the basic level does not have a strict system for its activities, or if it has had no activities for a long time, is it worthy of the name of organization? The system of "three meetings and one lecture" (the party branch committee meeting, the general meeting for all party members, the party group meeting and the party lecture) is indispensable for every party branch. Some party branches have not had a meeting for half a year or even a full year. They do not study or discuss the party's instructions, principles and policies. They do not investigate or study the problems in practical work or the ideological state of the cadres and masses. They do not propagate correct things; nor do they praise good people and good deeds. They do not criticize erroneous things; nor do they combat evildoers and evil deeds. If a party branch continues to act in such a way, how can it become a powerful fighting force? Some people say that since implementation of the responsibility system in production, people have been very particular about using their own time and that, therefore, the party's regular activities should be relaxed. This viewpoint is wrong. We must understand that since implementation of the production responsibility system, most party members and commune members have carried out their activities individually. It is necessary to carry out more strictly the system of regular activities. Otherwise, party members and commune members will become slack and perfunctory, and in the end the party organizations will be paralyzed and disorganized. This is very dangerous. Of course, we should be flexible in arranging time for holding meetings and for conducting party lectures. We should do our best not to take up, or to take up as little as possible, the time for productive labor. In short, if we want regular activities to be in line with the specific conditions of local places in a more appropriate way, we cannot but persist in the system of maintaining the party's regular activities.

Public security in some rural areas is bad, and so is the general mood of society. This is closely related to the unhealthy tendency or even criminal activities of some party members and cadres. If a party member or a cadre is light fingered, he will not be able to carry out mass work and change the general mood of society. Why is it that gambling, superstitious activities, and speculation and profiteering in some places, smuggling activities in some coastal areas and border regions, and abnormal religious activities in some regions of minority nationalities are so rampant? The reason is that either some party members and cadres have directly participated in these activities or that these activities are indirectly related to them. This phenomenon must not be allowed to continue. Correcting unhealthy tendencies in the party and seriously punishing party members and cadres who have broken the law and engaged in criminal activities have an important bearing on enhancing the party's combat effectiveness and changing the general mood of society. At present, we must regard the struggle against criminal activities in the economic field as an important part of strengthening the rural party organizations at the basic level. With regard to party members and cadres who indulge in unhealthy tendencies, we must criticize and educate them, and help them to realize their mistakes and resolutely correct them. With regard to a small number of party members and cadres who have violated law and discipline, we must seriously punish them according to party discipline and state law. We must not tolerate their crimes. Otherwise, evil will spell ruin if left unchecked, and party organizations at the basic level will not be able to be strengthened.

The task of strengthening rural party organizations at the basic level is arduous. How should we do it? In some places experiences have been accumulated. According to an investigation, the experiences are mainly as follows: Some leading groups of party organizations at the basic level have been rectified through summing up their experiences in work; some leading groups of party branches have been reelected in a democratic way according to the party constitution to realize rectification; and some party organizations at the basic level have carried out all-round rectification by turns and in groups. These methods have brought good results. They are feasible. When dealing with specific problems, the localities may try to find their own ways. No rigid uniformity should be sought. But one point must be stressed, namely, no matter what methods are adopted, higher party organizations should send their members to assist party organizations at the basic level. Particularly with regard to party organizations at the basic level which are already in a state of paralysis or semiparalysis, their problems will not be solved if they do not make great efforts, even though the higher party organizations might send their members to assist the rectification work at the basic level. Because various unhealthy tendencies are still growing and spreading over all these places, it is not easy to distinguish problems, and it is even more difficult to solve problems. We must not belittle these things.

To strengthen rural party organizations at the basic level, party committees at all levels must change the situation in which the party does not promote the party's cause. Although party committees have many things to attend to, they must not overlook the building of the party. Under the present circumstances in which rural party organizations at the basic level are confronted with many problems, we must devote more effort to strengthening our investigation and study, and carry out the work in this respect step by step, in a planned way and by stressing focal points. Particularly in places where the corrosive influence of capitalist ideology and the tendency of bourgeois liberalization are serious, we must do our best to rectify party organizations at the basic level which are in a state of paralysis or semiparalysis. Otherwise, the party organizations in these places will exist only in name but not in reality, and the communist methods will vanish. Some leading comrades of party committees only pay attention to economic work; the work of building the party has no place in their minds. This phenomenon must be changed. It is doubtlessly true that party committees must pay sufficient attention to economic work; the problem is how to carry out this work. The CCP Central Committee has pointed out that we must do a good job in dividing party and government work. This problem must be further solved. Party committees at all levels must emancipate themselves from their busy administrative affairs and from their vocational work, and put emphasis on doing a good job in building the party. Only if we do a good job in building the party, only if we give full play to the role of party committees as the leadership cores, only if we give full play to the role of party branches as fighting bastions and only if party members can play an exemplary vanguard role, will there be a reliable guarantee for fulfilling various tasks. Otherwise, the building of the party will be neglected, and the party organizations and party members will not be able to play their proper roles. As a result, no matter how specifically we carry out economic work or any other work, it will be very difficult to achieve any success. Of course, we cannot carry out party building in an isolated manner, but must carry it out in coordination with the central tasks at a given time and in a given place. The building of rural party organizations at the basic level must be carried out in combination with the work of consolidating and perfecting the production responsibility system. Otherwise, this work cannot be done well.

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BE BROAD-MINDED ABOUT REJUVENATING THE CADRE RANKS

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[Article by Luo Yinghuai [5012 2019 2037]]

[Text] We are now faced with the extremely important task of selecting tens of thousands of middle-aged and young cadres to enter leading bodies at various levels and of making the leading bodies more revolutionary, younger, better educated and more professional. This is the most vital problem we must solve in restructuring organs. Ensuring that this task is done is the glorious duty of our veteran cadres. Our veteran cadres must clearly understand their responsibility, be broad-minded about rejuvenating the cadre ranks, withdraw with lofty sentiment to the second or third lines, and make a final historical contribution to the party and people.

I

To be broad-minded, we must first proceed from the overall and long-term interests of the party's cause and treat the problem of rejuvenating the cadre ranks with communist foresight and vision.

The object of our struggle is to build a strong and modern socialist country and then realize communism, the most lofty ideal of mankind. This is an extremely important and arduous undertaking requiring many generations of sustained struggle. The continuity and carrying forward of the revolutionary cause of the proletariat require that we keep passing the baton from generation to generation. This is a problem of old cadres handing their batons over to new cadres. Comrade Mao Zedong said: "If our party does not have a great many new cadres working in unity and cooperation with the old cadres, our cause will come to a dead end." ("Selected Works of Mao Zedong," Vol 3, p 782) The historical experience of our party has proved that the work of selecting and training revolutionary successors and letting outstanding middle-aged and young cadres take over from old cadres not only has a bearing on advancing the revolutionary cause pioneered by the older generation of proletarian revolutionaries but also a bearing on the future and destiny of the party and state.

Take our army for example. Here, it is even more important to speed up the rejuvenation of the cadre ranks. Our army is a strong pillar of the dictatorship of the proletariat. It shoulders the important task of defending the nation, and is ready at all times to strike at invaders. If war breaks out, it must fight large-scale battles, tough battles and battles under unfavorable conditions. Even in peacetime it must carry out arduous tasks. Therefore, this not only requires that the commanders and fighters at various levels have good military and political qualities, but also requires them to be physically fit and to be full of vim and vigor. Only in this way can they cope with possible emergencies. It has been more than half a century since the founding of our army. Many of the old cadres have spent a whole generation fighting all over the country. It is said that "old people still have high aspirations," but they are after all getting on in years and gradually losing their vigor. Replacing the leading members and rejuvenating the cadre ranks has become an extremely urgent historical task facing our army. If we do not step up the tempo, firmly grasp the "interplanting" of new "seedlings" in the leading bodies at various levels and conscientiously solve the problem of rejuvenating the cadre ranks, we will be unable to fulfill the arduous task entrusted to us by the party. In a military exercise held at a certain place in north China, the contrast was extremely vivid: Large numbers of middle-aged and young cadres in the prime of life were active at various levels of command. They were full of vim and vigor, full of spirit, were hard working in the tense and difficult situation, and displayed the vitality and talent of the young. However, although some of the overage comrades were full of high aspirations and worked tenaciously, they felt themselves unequal to the continuous tension and burden of work because of their physical conditions and energy levels. At the end of the exercise, some of the old comrades emotionally said: When we led the units into battle during the war years, we could go sleepless for several nights without feeling any fatigue. During this exercise, we have only taken a few extra shifts, but we are already feeling the strain. This is the result of age. If we are like this during an exercise, how can comrades who are old and in poor health lead units to fight large-scale battles, tough battles and battles under unfavorable conditions in war? If we have to change the commanding officer at a critical juncture in a battle, we are bound to suffer a great disadvantage. Many old comrades are deeply aware of this point. Valuing the interests of the party above everything else and proceeding from the long-term construction of the units, they are seriously considering and handling the problem of rejuvenating the cadre ranks. Their spirit of standing high and seeing farther ahead is worth advocating.

For the sake of selecting middle-aged and young cadres and bringing up successors to the revolutionary cause of the proletariat, our party has made unremitting efforts since the 1960's and paid a high price for valuable experience. In recent years, we have selected a number of cadres who are in the prime of life and possess both ability and political integrity to replenish leading bodies at various levels. However, judging from the situation as a whole, progress in this work is still not fast enough, and there is still no basic change in the age structure of leading bodies at various levels. If this situation were to continue, a temporary shortage of experienced cadres would be bound to appear, seriously jeopardizing our party's cause. Therefore, stepping up the work of making the cadre ranks more revolutionary, younger, better educated and more professional is not only a project of vital and lasting importance, but also a task of immediate urgency. At present, we already have the conditions for basically solving this problem. Since the smashing of the "gang of four," and particularly since the 3d Plenary Session of the 11th CCP Central Committee, our party has affirmed the correct political line, ideological line and organizational line, and we can place this problem on the agenda for solution. At the same time, many old comrades with higher consciousness are still alive, and they can set the pace as well as overcome resistance. As long as everyone unifies his understanding, acts selflessly and sets examples, this problem will not be difficult to solve.

Some of our old comrades are highly dedicated to the cause of the revolution. They feel that they are still in good health and can still work for a few more years and make more contributions to the party. This spirit is indeed highly commendable. However, we should think a bit further ahead. The number of establishment personnel in a leading body is limited. The greater the number of old cadres, the less openings there will be for outstanding young cadres. Some old comrades are definitely still able to work for a few more years. However, if they work for a few more years, not only will the young cadres have several less years of tempering, but this will also create an "aging cycle" in the cadre ranks. If the old cadres vacate their posts and let the outstanding young cadres receive tempering earlier, the time they work for the party will not be several years but will be 10 or 20 years. In this way we will be able to organizationally guarantee the continuity of the line, policies and principles of the party, there will be successors to our cause, and our cause will prosper and develop. Therefore, promptly allowing young people to shoulder the burden and withdrawing to the second or third line to pass on experience, give help and set an example are a manifestation of farsightedness and concern for the party's cause. At present, this is the foremost responsibility entrusted to our old comrades by history. This plays a more significant role than working with all one's might for a few more years.

II

To be broad-minded, we must have a correct attitude toward the young cadres after they have taken up leadership posts, and we must enthusiastically believe in, support, show concern for and help them.

First, we must believe that the young cadres are capable of shouldering the burden of the revolutionary cause. Stalin said: "The youth are our future and our hope. The youth have to take our place, the place of old people. They have to carry our banner to final victory." ("Collected Works of Stalin," Vol 13, p 226) Comrade Mao Zedong compared the young people to the sun at 8 or 9 in the morning and placed his hope on them. However, because of the force of habit, even now there are still people within our ranks who look down on young people. They are worried that after taking up leadership posts "these young people will make mistakes because of their lack of experience, will let things fall apart because they are not authoritative enough and will make a mess of things by failing to carry out work properly." Actually, such anxieties and worries are groundless. The old comrades should think back on the process of their own growth. During the revolutionary war years, were many of our present old comrades not commanding a division or an army in battle against the enemy at the age of 20 or 30? Chen Haisong, an army political commissar and also an outstanding young commander of the 9th Red Army, was a regimental political commissar at 18, a divisional political commissar at 19 and an army political commissar at 20. He was only 22 when he died, but he had already commanded units in many brilliant battles. At that time, the leadership had such great faith in us and allowed us to shoulder important leadership work. At present, in the new generation growing up under the education and training of the party, many people are politically and ideologically much better than we were at that time, especially in the field of cultural and scientific knowledge. As long as we believe in them and boldly allow them to temper themselves in leadership posts, they will grow up very quickly. As a matter of fact, many of the middle-aged and young cadres have been very outstanding in their work after taking up leadership posts. Divisional commanders and political commissars of about 40, regimental commanders and political commissars of about 30, and battalion commanders and political instructors in their 20's are mostly able to lead units well. In a military exercise held in a certain part of north China, the overwhelming majority of middle-aged and young cadres displayed fairly high command ability and creativeness. Four young regimental commanders of a certain division fulfilled their tasks in an outstanding manner, and all of them rendered meritorious service and received awards. This is a very good example.

Second, we must energetically support the work of middle-aged and young cadres. Old comrades, educated for a long time by the party, have richer experience. Whether enthusiastic support and help can be given to young cadres has a very important bearing on whether they are able to grow up as quickly as possible. The overwhelming majority of our old cadres have done very well in this respect. They are deeply conscious of the righteousness of the cause and have actively created conditions for the growth of young cadres. They are enthusiastically and patiently passing on experience, giving help and setting an example. However, there is also a small handful of comrades who are able to enthusiastically support the work of young cadres working under them, but when the young cadres are of the same grade or have outstripped them, they do not feel so comfortable. This is incorrect. Zheng Banqiao of the Qing dynasty said in a poem: "The new bamboo branches are taller than the old bamboo branches. They depend wholly on the support of the old stems. Next year there will be more new branches. Bamboo a hundred feet tall surrounds the pond." The new bamboo branches are taller than the old bamboo branches and the new branches of tomorrow will grow into bamboo a hundred feet tall because of the support of the old bamboo branches and old stems. The growth of young cadres is the same. Indigo blue is extracted from the indigo plant but is bluer than the plant it comes from. That those who come after surpass the old-timers is a universal law governing the development of things. This is a manifestation of the prosperity and development of our party's cause, and the old comrades should feel heartened. We must take delight in and be good at becoming "a human ladder," help the young cadres "climb" to leadership posts at various levels, and allow them to give full play to their wisdom and ability at appropriate posts and in a broad field.

Furthermore, we must correctly handle the shortcomings of young cadres. Comrade Mao Zedong repeatedly taught us that we must allow cadres to make mistakes and to correct their mistakes. In everything, one divides into two. The same as other cadres, young cadres cannot help having this or that kind of shortcoming, or making this or that mistake in their work. Particularly when they lack experience, it is easier for this or that kind of problem to appear. This is a normal phenomenon. However, there is a kind of abnormal condition at present, namely, when a shortcoming occurs or a mistake is made by old cadres, it can easily be forgiven but when the same shortcoming occurs or mistake is made by a young cadre, it will invariably lead to endless discussions and might even create a scandal. It might be correct to set stricter demands on the young cadres, but "there is no pure gold and no one is perfect." Not allowing them to have shortcomings and make mistakes is asking too much from them, and this is metaphysical and wrong. The correct attitude in dealing with young cadres is to judge the whole of their work and particularly their essence and principal aspects. When they have shortcomings and make mistakes, the old cadres must help them to analyze the cause, sum up past experiences and lessons, and study ways to improve, and when necessary, help them shoulder responsibility so that they will not become overcautious just because of problems in their work. At the same time, the old cadres must encourage them to boldly temper themselves, learn from "a fall into the pit, a gain in the wit," and continue to mature.

Naturally, we must strictly examine and carefully choose the young cadres preparing to enter leading bodies. We must pay close attention to selection standards. We must select cadres in accordance with the criteria put forth by the CCP Central Committee and thoroughly and carefully examine them one by one. We must understand clearly the whole of their history, mainly their stand during the "Great Cultural Revolution" and particularly their attitude toward the line, principles and policies of the party since the 3d Plenary Session of the 11th CCP Central Committee. We must ensure that young cadres entering leading bodies will be politically of one heart and mind with the CCP Central Committee, and will be pure and dependable. We absolutely cannot allow those who got their start through rebellion, who are seriously affected by the factionalist mentality, who have taken part in beating, smashing and looting, and who resist the line, principles and policies of the party, to get into the leading body. At the same time, we must also pay attention to their military skills and vocational levels. We must select cadres on the basis of the unity of their ability and political integrity. If old comrades do not make the effort in selecting the right people or do not properly hand over the work of the revolution, they will be making an historical mistake.

III

To be broad-minded, we must also handle correctly the question of withdrawing to the second or third lines. To select and utilize outstanding young cadres and make the leading body revolutionary, younger, better educated and more professional, we must arrange for some of the old cadres to leave their posts to convalesce, retire or withdraw to the second line. There will be people coming in and going out, and going out is for the sake of making room for people coming in. This is the demand of the development of the revolutionary cause. There is a question of how to properly settle and look after these old comrades. We have already done a great deal of work in this respect as well as made quite a bit of progress, but there are still many problems. This is mainly because "when a person leaves, the tea gets cold" and the attention given to old comrades who have withdrawn to the second or third lines has not been as good as when they were in office, and this has caused anxieties among some of the old comrades who are about to leave their posts to convalesce or to retire. The reason for this situation is mainly because some comrades do not have a correct understanding of why the old comrades are withdrawing to the second or third lines. In particular, the bad habit of "snobbishness" of the former society is still reflected in the question of dealing with old cadres leaving their posts to convalesce or retire. These comrades do not understand that, in working for scores of years in the service of the country, these old comrades have made tremendous contributions to the liberation of the motherland and the cause of socialist construction. The old cadres are the hardcore force of the cause of the party and the meritorious officers of the state, and they should be respected and looked after when they become old or senile. Moreover, the bad habit of "snobbishness" is opposed to our fine national tradition of honoring the old and the virtuous. It runs counter to our party's policy for old cadres and is the moribund consciousness of the exploiting class. On the other hand, a handful of old comrades also sense that they have "lost stature" since leaving a leading body and feel "ashamed." This is a wrong impression. Old comrades who withdraw to the second or third lines and vacate their posts for middle-aged and young cadres are making an important contribution to rejuvenating a leading body. This is a glorious thing and should be acclaimed by society. After withdrawing to the second or third lines, the old cadres are still a very important political force in our party and state, and if health permits, they can still continue to play their role. Especially after casting off daily routine, the old cadres can devote their energy toward offering ideas and making suggestions on major issues of party, state and army building. At the same time, many of them have an intimate understanding of the glorious tradition of the party and are familiar with the glorious history of our party and our army. By writing memoirs and teaching by personal example as well as verbal instruction, they can contribute to the construction of socialist spiritual civilization. In fact, some old comrades have already made achievements in this respect, and this is a role which can hardly be played by other people.

The CCP Central Committee, the State Council and the Military Commission of the Central Committee have already adopted many effective measures for looking after the livelihood of the old comrades leaving their posts to convalesce or retiring, and they are now studying, perfecting and setting up the necessary rules and regulations. However, because the level of productive forces in our country is still not high and the state is still faced with many difficulties, some of these problems cannot be solved right away. Our old comrades must make allowance for the difficulties of the state and adopt a correct attitude toward them. When our old comrades joined the revolution, their only thought was to emancipate themselves and seek liberation. Who gave a thought to a high position and a handsome salary at a future date?!

Numerous revolutionary martyrs lost their heads, shed blood and sacrificed their lives without even tasting the joy of revolutionary victory. Compared to them, how can we, the lucky survivors, fuss about material treatment? We communists consider it our duty to liberate all mankind, and we have vowed to persevere in the course of working for the interests of the people. While in office we must conscientiously work to the best of our ability. After withdrawing to the second or third lines, we must still work hard and maintain revolutionary integrity in our later years.

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ON THE QUESTION OF HUMAN RIGHTS IN THE INTERNATIONAL ARENA

Beijing RED FLAG in Chinese No 8, 16 Apr 82 pp 44-48

[Article by Shen Baoxiang [3088 1405 6116], Wang Chengquan [3769 6134 2938] and Li Zerui [2621 3419 6904]]

[Text] In current international activities, the problem of human rights occupies a certain place. Discussing or examining the problem of human rights is one aspect of the activities of the United Nations. States with different social systems, different political interests and different degrees of economic development, and groups and persons with different political leanings, have put forward their own ideas of human rights. Therefore, the problem of human rights is of an unprecedentedly comprehensive and complicated nature. Concerning the current complicated struggle about the problem of human rights on the international scene, we must make a serious analysis or study. We must adhere to our own principled stand and strive to maintain world peace and safeguard the right of self-determination and the fundamental human rights of the people of various countries.

Origin of Human Rights

To clarify the current problem of human rights on the international scene, we must review the development of the history of human rights.

Human rights represented the theory, idea or slogan put forth by the Western bourgeoisie 2 or 3 centuries ago. To counter the privileges and divine rights of feudal aristocrats and monks and priests in the Middle Ages, enlightened bourgeois thinkers originated the idea of "innate human rights" and of freedom, equality, the pursuit of happiness and other human rights. Such an idea became an effective ideological weapon of the rising bourgeoisie in fighting feudal despotic rule. In 1776, the "Declaration of Independence" of the United States of America stated that "all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among them are life, liberty and the pursuit of happiness." This was the first time that the bourgeoisie had affirmed, in the form of a political program, the idea of human rights that it had conceived. Marx considered this document as the "first declaration of human rights." In 1789, the constitutional congress produced by the French bourgeois revolution adopted the "Declaration of the Rights of Man and of the Citizen," or what people usually call the "Declaration of Human Rights." It declared: "People are born free and equal and are meant to always remain so." People's innate rights are "freedom, property, safety and resistance against oppression." This declaration became the preface to the French Constitution. It advanced for the first time the slogan of "human rights" in the form of law. The "Declaration of Human Rights" declared an end to the rule of the feudal privileged class in the Middle Ages and the establishment of the ruling position of bourgeois politics.

The idea or slogan of human rights played a very positive role in history. It reflected the features of an historical period. For a long period of time, this slogan had a far-reaching influence on the capitalist world. The slogan of human rights supposedly covered all people--people who shared common rights. It was a slogan of a universal nature. But, actually, the bourgeois slogan of human rights gave expression to the demands of the rising bourgeoisie in the most general terms of rights. In the name of human rights, the bourgeoisie replaced the feudal lords' special privileges and hereditary privileges with its own moneyed privileges. The so-called right to freedom is chiefly the freedom to own private property. The so-called right to pursue happiness is actually the right to exploit labor in an unrestricted way and the right to pursue wealth. Just as Marx pointed out: "Human rights are privileges in themselves." ("Collected Works of Marx and Engels," Vol 3, p 229) In capitalist society, human rights for the proletariat and the masses of laboring people are of a highly fraudulent and deceptive nature.

For a very long period of time, human rights existed merely as principles for political life and legislation in some countries. The widespread application of human rights in international relations, and the universal acceptance by international society of human rights as a standard, began during World War II and especially after the founding of the United Nations. During World War II, the fascist outrages of Germany, Italy and Japan, which ruthlessly killed the people of various countries, aroused the anger of the world. There was a widespread demand for the protection of human rights and a call for respecting fundamental human rights as the aim of postwar international relations. The "United Nations Charter," adopted in 1945, declared: It was decided to save "future generations from again suffering the catastrophic effects of war twice experienced by the present generation and to reaffirm fundamental human rights, human dignity and values and also the faith in the right of equality between men and women and between big and small countries." Respect for human rights has since become an important problem in international political struggle.

New Developments in the Concept of Human Rights

The concept of rights has always developed in accordance with the development of history. Human rights are no exception. As time marches on, given changes in the economic and political situation, the emergence of new political forces and the development of various struggles in international society, the concept of human rights inevitably breaks out of the confines of the original Western bourgeois version. At present, the concept of human rights advocated on the international scene, chiefly within the framework of the United Nations, is a far cry from the version put forth and upheld by the bourgeoisie in the 17th and 18th centuries. It is marked by important changes in the following two respects.

1. For a long period of time, the bourgeoisie upheld the right to possess private property as the most important of its human rights. On the other hand, it ruthlessly exploited workers leaving them in dire straits. After World War II, the struggle of the working class in capitalist countries which asserted its rights reached an unprecedented height. This forced the bourgeoisie to adopt domestically some so-called welfare policies, but actually "in the long run, people paid for what they got." On the international scene, economic, social and cultural rights were also incorporated into the UN pact on human rights. In 1966, the United Nations adopted two important conventions on human rights: the "International Convention on Civil Rights and Political Rights" and the "International Convention on Economic, Social and Cultural Rights." (These two conventions together with the "World Declaration of Human Rights" are generally known as the "International Constitution on Human Rights.") The latter stipulates that everyone should have the right to work and be assured of proper and good working conditions and of the right to organize trade unions, the right to receive education, the right to share in cultural life, the right to enjoy social protection, and other rights. The advancement of economic rights and social and cultural rights has caused the concept of human rights to break out of the narrow confines of its original version.

2. Another important change in the concept of human rights was the addition of the right of self-determination and the right of development for the people of colonies and dependencies in Asia, Africa and Latin America. When the bourgeoisie was vigorously advocating human rights in the mother countries of capital, they were carrying out ruthless exploitation and naked robbery in a large number of colonies, semicolonies and dependencies. The colonialists and imperialists never recognized any human rights for the people of these countries and areas. After World War II, the national liberation movements among the people of colonies grew. Many colonies won independence and joined the United Nations. They participated in international political activities and put forth their own ideas of human rights. In recent years, the Third World countries have voiced in more clearcut terms their opposition to "any people monopolizing the interpretation of human rights" and their opposition to the human rights activities of the United Nations "being guided only by European standards, as in the past." The 7th UN General Assembly [UNGA] in 1952 and the Asian-African conference held in Bandung in 1955 affirmed national self-determination as "the prerequisite for fundamental human rights." Thus, the protection of human rights was linked with national self-determination for the people of colonies. In 1960, thanks to the efforts of newly independent countries in Asia, Africa and Latin America, UNGA adopted the "Declaration Granting Independence to Colonial Countries and People," and announced that "all people have the right to self-determination." It was pointed out that "subjecting a people to conquest, rule and exploitation by foreign countries is a negation of fundamental human rights and a violation of the UN Charter." This declaration affirms in clearcut terms that the right of self-determination for the

people of colonies was a fundamental human right. In the 1970's, the struggle in the United Nations of the Third World countries in the field of human rights grew fiercer. The concept of human rights was continuously injected with new content. In 1977, the 32d UNGA passed with an overwhelming majority vote a resolution (Resolution No 32/130) on the new concept of human rights put forth by the Third World countries. A concept was advanced for the United Nations to take into consideration in the future the promotion of human rights and basic freedoms. This resolution shows that human rights do not just mean individual rights and basic freedoms; they also cover the rights and basic freedoms of a nation and its people. The resolution stresses that in UN human rights activities, priority should be given to solving "matters of serious and large-scale encroachment on the human rights of the people and individuals of countries which have been affected by racial segregation; all forms of racial discrimination, colonialism, foreign rule and foreign occupation and aggression; threats to national sovereignty, national unity and territorial integrity; and refusal to recognize national self-determination and the fundamental right of countries to exercise full sovereignty over their own wealth and natural resources." This spirit is in line with the prevailing conditions of international society and is therefore correct. The resolution also pointed out that sustained progress in the area of human rights depends on rational and effective domestic and international policies for economic and social development. The continuous existence of an unfair international economic order seriously hampers the exercise of economic, social and cultural rights by developing countries. The establishment of a new international economic order is a factor in effectively promoting human rights and basic freedoms. In 1979, the UN Commission on Human Rights passed a resolution stressing the right of development as a fundamental human right. Thus, the concept of human rights took on additional meaning: the upholding of national independence by the people of various countries, chiefly Third World countries, the exercise of the freedom to control their natural wealth and resources and to develop their economy, and their opposition to foreign aggression and oppression. Thus, the struggle to win and uphold human rights was linked with the struggle against imperialism, colonialism and hegemonism.

This new concept of human rights has reflected the historical features of this era of ours from a certain point of view. But where the problem of human rights is concerned, the echoes of the old era can sometimes still be heard.

Political activists and scholars in certain Western countries have adhered to the traditional narrow concept of human rights and one-sidedly stressed the individual's human rights, advocating absolute freedom for the individual and claiming that the individual's human rights provide "basic conditions for economic development." This shows contempt for the realities of international politics. It might be asked: How can there be individual rights and freedom when a nation has been deprived of its right of self-determination, or a country has been occupied by aggressors, or the whole nation and the people are in slavery, and when a country has been deprived of its sovereignty over its wealth and natural resources and is under the shackles of colonialism? Given such a situation, how can there be basic conditions for economic development? The fact is that in the world today, certain countries and nations are still placed in such a state owing to the havoc caused by hegemonism, imperialism and colonialism. Obviously, upholding national rights in these areas is a primary prerequisite for respecting the individual's human rights. If the fact of national rights being seriously encroached upon is ignored and much is made of the individual's human rights, then this can only be interpreted as hypocrisy and deception.

Complicated Struggle Under the Banner of Human Rights

Human rights activities within the framework of the United Nations represent the main aspect of the international struggle for human rights. But the area of struggle for human rights is actually much wider. The complicated struggle for human rights on the international scene is chiefly marked by the following several situations, with various essential differences.

First, the efforts of a large number of Third World countries and some countries upholding justice in revealing and fighting large-scale encroachment on human rights by hegemonism, imperialism and colonialism and by certain autocratic regimes. In recent years, the UN Human Rights Committee has adopted resolutions condemning the foreign armed invasions of Afghanistan and Kampuchea, interference with national self-determination, the creation of large numbers of refugees, and large-scale and serious encroachment on human rights. At UN conferences, the representatives of Third World countries have also condemned the policy of apartheid and racial discrimination pursued by the South African authorities and Israel's persecution of the Palestinian people, which represent large-scale and serious encroachment upon human rights.

Second, there is the struggle of the Third World countries in opposing the rich countries' exploitation of their poor counterparts and achieving the right of development in order to establish a new international economic order. Thanks to the efforts of Third World countries, UN conferences adopted declarations and resolutions explicitly calling for the establishment of a new international economic order, stipulating the right of every country to freely exercise full and permanent sovereignty over its wealth and natural resources, and urging the adoption of measures to improve the economic conditions of developing countries. But such a proper demand for the development of human rights has met with stiff opposition from rich countries that make a ballyhoo about human rights. Therefore, the actual results have been limited.

Third, there is the promotion of human rights activities in social, humanitarian, cultural and other fields. There are such activities as: elimination of discrimination against women, realization of the right of equality between men and women, concern for the growth of youth and children, improvement of the lives of old or crippled people, stimulation of educational and scientific development, and so forth. In these respects, the United Nations has adopted a series of declarations and formulated many international conventions, such as the "Declaration of Social Progress and Development," the "Declaration of Juvenile Rights," the "Declaration of

Promotion Among Young People of the Ideals of Peace, Mutual Respect and Understanding Between the Peoples of Various Countries," the "Convention on the Political Rights of Women," the "International Convention on Eliminating All Forms of Discrimination Against Women," the "Declaration of the Rights of the Crippled," the "Pact on the Position of Refugees," and pacts calling for the prohibition of trading in human beings, forced prostitution, and so forth. Focusing on these social and humanitarian matters, the United Nations and many countries have launched extensive activities along various lines.

Fourth, there is the dispute between two superpowers centering on human rights. At UN and other international conferences, the two superpowers, the Soviet Union and the United States, have constantly seized on the problem of human rights as an excuse to attack each other. The United States has accused the Soviet Union of encroaching upon the fundamental human rights of East European countries. The Soviet Union on its part has accused the United States of staging a "human rights propaganda war." The Soviet Union has also collected data and made a countercharge about U.S. encroachment on human rights. All the heated exchanges between the Soviet Union and the United States centering on the problem of human rights are by no means prompted by real concern over human rights. They are motivated rather by what they seek in their contest for hegemony. Hegemonism itself is a negation of fundamental human rights. The Soviet Union's defense of the Vietnamese authorities' large-scale eviction of refugees, which is a serious encroachment upon human rights, and the United States' consistent support for South Africa's policy of apartheid and for Israeli expansionism show that all the ballyhoo they make about human rights is hypocritical.

Fifth, the bourgeoisie and others who have ulterior motives use human rights to attack socialism. Imperialism and the bourgeoisie of the West have never eased up in using human rights to attack and slander our country, aiming to score an ideological penetration against us. The propaganda machine of the West have been continuously distorting their reporting on the social and human rights situations in our country. They have slandered our socialist democratic system as a violation of the so-called "human rights." Some people have even fanned and supported those people in our country who want to see the world plunged into chaos and who engage in illegal activities under the pretext of human rights. These situations existed not only in the past, but also at present. They will continue to exist in the future. We must constantly guard against them.

Adhere to a Principled Stand on the Problem of Human Rights

As early as in 1955, Premier Zhou Enlai, who had led a Chinese delegation back from the Asian-African Bandung conference, pointed out in a report at an enlarged meeting of the NPC Standing Committee that the 10 principles embodied in the declaration of the Asian-African conference "cover also such principles as respecting fundamental human rights, respecting the principles and aims of the UN Charter, respecting justice and international obligations, the peaceful settlement of international disputes, and so forth. All these have been consistently advocated by the Chinese people and have been consistently followed by China." Our attitude toward the aims and principles of the UN Charter, including respect for fundamental human rights, is clearcut.

Human rights are not a hollow slogan. Nor do they represent an isolated problem. Instead, they are associated with the main problem of international politics. At present, the main factors underlying the tense and uncertain international situation, the threat to the safety of mankind and large-scale encroachment upon fundamental human rights, are hegemonism, imperialism and colonialism, and especially the contest for hegemony between the two superpowers, the Soviet Union and the United States. The struggle to safeguard fundamental human rights must be linked with the struggle against hegemonism, imperialism and colonialism and be made part of this struggle. Only in this way can the struggle be meaningful and achieve results.

Opposing the hegemonists' foreign aggression and large-scale and serious encroachment upon human rights is the primary duty of international society. The Soviet Union's dispatch of troops to occupy Afghanistan, forcing several millions of Afghan people to flee their own motherland as refugees, is a serious encroachment upon the fundamental human rights of the Afghan people. Soviet support for the Vietnamese hegemonists' invasion of Kampuchea and their slaughter of patriotic Kampuchean militarymen and civilians has deprived the Kampuchean people of the least semblance of human rights. The acts of aggression on the part of Soviet and Vietnamese hegemonists contravene the aims and principles of the United Nations and are a gross violation of the international charter on human rights. U.S. support for Israel's serious encroachment upon the rights of the Palestinian people and U.S. support for the South African racists is common knowledge. Such acts on their part have naturally been justly condemned by international opinion and have similarly met with the opposition of the Chinese government and people.

The struggle of a large number of Third World countries for the right of economic development is another major task on the international scene to stimulate and safeguard fundamental human rights. With the rich countries exploiting the poor ones, the people of a large number of Third World countries are still in a state of poverty and backwardness. The people of certain of the least developed countries fare even worse. This is hard reality. Therefore, to safeguard the Third World countries' right to develop their national economies and change the impoverished state of the people of these countries is a problem especially worthy of note in international human rights activities and is a duty that falls squarely upon the United Nations, various international organizations and various countries, particularly the developed ones.

Human rights activities promoted by the United Nations and certain international organs in social, cultural and other fields, such as the elimination of discrimination against women, protection of children, concern for old or crippled people, elimination of illiteracy, promotion of scientific and technical development, and so forth, are also human rights problems of concern to international society. In these respects, we should strive to make our own contributions. This is also in line with our existing policy.

In international activities, the act of using the slogan of human rights as an excuse to interfere in the internal affairs of other countries cannot be allowed. We have resolutely upheld the five principles of peaceful coexistence and have never interfered in the internal affairs of other countries. Similarly, we consider that the act of using the problem of human rights as an excuse to slander and attack our country and to interfere in the judicial and administrative affairs of our country is an unfriendly gesture to our country and people and an encroachment upon our sovereignty. This will, of course, meet with our rejection and opposition.

Socialism and Human Rights

The human rights put forth by the bourgeoisie played a positive role in history. But such human rights are narrow and limited. They chiefly serve to meet the demands of the bourgeoisie. For the working class and other laboring people, they are of a highly fraudulent and deceptive nature. Class exploitation is the most serious case of inequality in society. The system of exploitation is the main cause of various phenomena of unequality in society. Under a social system in which one man exploits another, the masses' demand for rights cannot really be met. Marxists hold that only by fully developing social productive forces on the basis of the exploitation system having been eliminated can we enable the broadest mass of people to enjoy rights in political, economic, social, cultural and other fields. And only in this way can we achieve rights on a universal basis.

The socialist experience of China provides eloquent proof that only the socialist system can safeguard the full realization of the various rights of the people. Our revolution led to the overthrow of the rule of imperialism and feudalism in China, a change in the political system of dictatorship by the big landlords and the big bourgeoisie, and the founding of the regime of people's democracy. With the system of exploitation having been eliminated by us, the social productive forces have developed greatly. Scientific, educational and cultural undertakings have also made great progress. All this has brought about a fundamental change in our people's political and economic statuses. These results of our revolution and these rights won by the people have been solemnly incorporated in our constitution. In our constitution, the stipulations about the inviolability of public property, the prohibition of exploitation, the protection of remuneration for an individual's labor, and the realization of the principle of "nothing to those who contribute no work" have provided a most solid basis for the protection of fundamental human rights in our country. All unbiased people can see that the citizens' rights specified in our constitution cannot be compared with the rights of the individual advocated by the Western bourgeoisie. Of course, apart from being restrained first of all by the social system, the rights enjoyed by the citizens of a country are restricted by economic, cultural and other objective conditions. Therefore, for a developing socialist country like ours, the full realization of various civil rights must naturally follow a process.

Our revolution has its own lofty ideals and objectives. Meanwhile, we have also consistently fought to uphold human rights. Socialism is synonymous with human rights. In our country, it is impossible to detach ourselves from our socialist democracy and legal system and from socialist modernization in promoting what is called the problem of human rights. With the continuous improvement of our socialist democracy and legal system and the development of modernization, the various rights enjoyed by the people of our country will surely continuously grow to a new level. Facts will provide ever more convincing proof that the socialist system is also a reliable guarantee for the full realization of human rights.

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IS THIS REALLY FOR THE GOOD OF ALL AND THE COLLECTIVE?

Beijing RED FLAG in Chinese No 8, 16 Apr 82 inside back cover

[Article by Li Zhuqi [2621 0031 0366]]

[Text] "We should be willing to spend any amount of money for the people"; "Anything we do for the collective is perfectly justified." Such are the fashionable excuses used by certain leaders of units, mines, shops and schools who, having no regard for the nation's laws, openly violate regulations concerning financial administration, and seek to feather their own nest at the nation's expense.

Shielded by the banners of "for the good of all" and "for the collective," they completely ignore the fundamental and long-term interests of the country and the people and are willing to spend any amount of money and engage in any activity: they unscrupulously hold back profits or other funds, and recklessly issue bonuses, subsidies and overtime payments; they misappropriate "fringe benefits" under all sorts of pretexts, and secretly use them for their own personal ends; they rack their brains for ways to force other units to pay "additional charges," siphoning off a portion of the ill-gotten wealth for themselves.... Activities such as these reduce the nation's financial income, damage the party's fine work style, corrupt the thinking of some of the cadres and masses, and have aroused angry opposition among the broad masses of staff, workers and cadres.

Why is it that these leading cadres have been trying to fleece the nation by raising the banners of "for the good of all" and "for the collective." The main reason is simply that these cadres, having yielded to the pressure of various unhealthy trends and evil practices, have begun pandering to the backward consciousness of a part of the masses. Worse than this, however, is that they are unable to resist the allurement of money and material goods and hope to make a profit out of what they see as the "impunity of the masses." They have calculated that rather than take both sides into consideration, bearing responsibility toward the state and trying to satisfy the "masses," it is better to throw their lot in with the "people." In this way they can both "enjoy the support of the people" and gain material benefits. These people have completely forgotten about the responsibility that must be shouldered by every Communist Party member and revolutionary. To put it bluntly, they appear on the surface to be acting "for the good of all" and "for the collective"; in reality, however, they think only of themselves.

We are now engaged in building socialism and as far as ultimate aims are concerned, everything is for the people and for the collective. We must at all times concern ourselves with the lives of the masses. If we are to truly act in the interests of the people and the collective, however, we must look at the situation as a whole. It is imperative that we uphold the principle of "taking into account the interests of the state, the collective and the individual," and that we protect the nation's public property. The life of the people must be gradually improved in line with the ceaseless development of production. At present, our country's level of production is still too low, the nation's finances are still in the red and the people are by no means wealthy. Equipped with a firm sense of being masters of their own affairs, however, millions of cadres and masses are working to overcome difficulties and build socialism. Leading cadres should lead the masses in their own units in sharing the state's burdens and making a contribution to the four modernizations. There are certain people, however, who have rejected the interests of the whole and are like mice gnawing at the very foundations of socialism. In this way large amounts of property and money belonging to the state have been appropriated through both "legal" and illegal means. Some people say: "This is for the good of all and the collective. It certainly won't end up in my pocket." Even though this might be the case, one cannot escape the true facts of the situation. Such notions of "the good of all" and "the collective" combined with actions which harm the overall interests of the nation will invariably lead to damage on a more serious scale. All such actions violate the regulations concerning finance and seriously threaten the socialist cause.

"One ant hole might cause the collapse of a thousand-li dike." It is imperative that we go all out to block up the "mouse holes" in our country's socialist foundations. If we fail to get rid of these "mouse holes" it will be difficult to achieve the objective of the four modernizations. There is a danger that the fruits of revolution and construction for which several generations have fought will be snatched away. Every cadre who truly has the interests of the people at heart must accept the wide scope of his own duties and must firmly defend the socialist cause. We also urge all people who speak about the "good of all and the collective" while acting to the detriment of the interests of both the people and the collective, to quickly wake up to the truth and stop trying to fool us. It is dangerous!

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28 July 1982

China Report

RED FLAG

No. 9, 1 May 1982

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28 July 1982

CHINA REPORT

RED FLAG

No. 9, 1 May 1982

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CONTENTS

Open Up New Prospects for United Front Work (pp 2-6, 42)
(Editorial Department) 1

A Major Event in the State's Political Life (pp 7-8, 12)
(Editorial) 10

Expectations of the People and the Party--A Talk With Newly Promoted Cadres (pp 9-12)
(Commentator) 14

An Inviolable Basic Principle--Some Understanding on Upholding the Policy of Relying Mainly on the Planned Economy and Supplementing It With Regulation by Market Mechanism (pp 13-19)
(Fang Weizhong) 20

On the Principle of Democracy in the Relationship Between the Leaders and the Masses (pp 20-26)
(Xiong Fu) 32

Communists Should Never 'Retire' (pp 27-28)
(Wang Guangmei) 43

The Use and Prospects of Structural Chemistry (pp 29-33)
(Lu Jiaxi) 46

Go Among the Masses! (pp 34-35, 28)
(Ding Ling) 55

Increase Consciousness in Studying Theory (pp 36-39)
(Ru Zhi) 59

What a Theoretical Test Shows (pp 39-41)
(Qin Li)... 65

Why Is It Imperative To Oppose Regional Economic Blockades?
(pp 41-42)
(Qi Xiangwu, Hou Yunchun)...................................... 69

Strengthen Ideological and Political Work in Enterprises
(pp 43-45)
(Wang Shengyi)... 71

Proceed From the Conditions of a City in Improving Economic
Results--A Talk on the Method of Leadership Adopted by the
Nantong Municipal CCP Committee (pp 46-48)
(Di Long).. 77

Voluntarily Ascend Liangshan Mountain (inside back cover)
(Liu Zijiu).. 83

OPEN UP NEW PROSPECTS FOR UNITED FRONT WORK

Beijing RED FLAG in Chinese No 9, 1 May 82 pp 2-6, 42

[Article by Editorial Department]

[Text] What have we achieved in carrying out our party's united front work in the last 5-odd years since the smashing of the "gang of four"? It can be said that the work has been done quite well and the achievements have been very great. There has been a basic transformation compared with 5 years ago.

Owing to the 10-year turbulence, 5 1/2 years ago the united front--one of the three magic weapons for the Chinese revolution that Comrade Mao Zedong developed for our party--was destroyed almost completely by the Lin Biao and Jiang Qing counterrevolutionary cliques. In the past 5 1/2 years, and especially since the 3d Plenary Session of the 11th CCP Central Committee, the party's united front policies have been gradually revived and lively prospects have taken shape; in certain respects the policies have developed somewhat. Now, the majority of our friends outside the party have peace of mind (although not complete peace of mind), and their patriotic enthusiasm is gradually surging upward. Witnessing the implementation of our party's united front policies and the improvement of the united front situation in our country, patriots in Taiwan, Hong Kong and Macao, and patriotic Overseas Chinese feel contented and relieved; and many foreign friends have expressed their admiration and approval. Because the united front situation has been revived and developed, the political unity in our country has also been greatly strengthened.

The basic transformation of the united front situation is one of the great achievements which our whole party has made in setting to rights things which had been thrown into disorder through unswervingly carrying out the CCP Central Committee's line, principles and policies. However, while affirming the successes, we must also see the deficiencies in the work. Our united front work has not been done "to excess" but not enough; it has not been done "too much" but too little; and it has not been done with perfection but with discrepancies and errors. Only in reviewing the problem in this way can we keep a cool head and can more united front work be better and more thoroughly carried out in the future.

How Should the Whole Party View United Front Work?

In order to do a good job in united front work, we must first of all solve a problem, that is, to fully understand the extreme importance of united front work in the new historical period. At present, many of our comrades, including many comrades who are doing united front work, do not have sufficient understanding of this problem.

It has been completely proven by history that we relied on the three magic weapons, including the united front, in winning the great victory of the democratic revolution during the long struggle of the democratic revolution. Do we still need the magic weapon of the united front in the new historical period of building a powerful and modernized socialist country? The CCP Central Committee has clearly and emphatically expounded on this problem many times. The united front will remain essential and important, with great vitality, and will remain our party's magic weapon in the new historical period and for a very long historical period to come. Do we not stress fulfilling the three great historical tasks of building the motherland, completing the reunification of the motherland, and, internationally, opposing hegemonism? It is absolutely impossible to accomplish these tasks without the magic weapon of the united front. If we overlook or even give up the united front, we will inevitably encounter tremendous difficulties, or even suffer serious setbacks and defeats. More precisely, so long as classes have not been totally eliminated in our country, it is still necessary to have the CCP--the vanguard of the proletariat--and, consequently, the united front under our party's leadership.

We now have two united fronts, one is the international antihegemonist united front, and the other is the domestic patriotic united front. To put it a bit more plainly, the latter is the broadest united front comprising the whole body of socialist laborers and patriots who support socialism and the reunification of the motherland. The comrades of the whole party must pay profound attention to this point: they must absolutely not just rely on the proletariat as an isolated force for fighting bravely, or think that the huge tasks facing us can be accomplished just by adding the peasant class to the proletariat. Closed-doorism and adventurism are certain to lead to grief. Historical and practical experiences have told us again and again that our cause will only be invincible as long as we can intensify the cooperation between our party and the people outside the party, consolidate the patriotic united front under the leadership of the party, unite with as many people as possible, and strive to win their support based on the intimate unity among the workers, peasants and intellectuals. Therefore, for a long period in the future, there will be more and more people whom we are to unite with, and the scope which united front work covers will be wider and wider.

As far as the domestic patriotic united front is concerned, the scope of our work is exceedingly broad. Generally speaking, this work covers the following sectors: 1) the democratic parties; 2) well-known nonparty figures; 3) nonparty intellectual cadres; 4) former Kuomintang military officers who came over to us; 5) former industrialists and businessmen;

6) upper-strata figures among the minority nationalities; 7) patriotic religious leaders; 8) dependents, relatives and friends living on the mainland of people who went to Taiwan; 9) Hong Kong and Macao compatriots and Taiwan compatriots; and 10) returned Overseas Chinese compatriots and Overseas Chinese living abroad. How many people do these 10 sectors comprise? It is not just a few million or a few tens of millions, but as many as 100 million. We must stress unity with them and take the initiative to carry out positive and very careful work regarding them.

This issue is not just limited to the numbers of people in these 10 sectors; it is a fact that there are many superior features among the targets of our work in these 100 million people. There are three main features: 1) they have relatively good knowledge; 2) they have relatively extensive social contacts; and 3) they have a strong desire to work hard for the country. These three features constitute the main current among them, and are extremely important features which we must by no means neglect. It is true that certain people among them have some weak points, or even some stains. However, in light of a comprehensive appraisal, all these weaknesses and stains are minor points, and most of them have now become history. If we just stress these latter features of theirs and disregard the main current, we will become overcautious and put ourselves in a passive position, and therefore we will not dare to go all out to unite with them and win them over, and we will not be able to truly open up new prospects in united front work. Therefore, in view of the actual situation of united front work, what we should stress at present is that we must continue to eliminate the influence of "leftist" thinking, and prevent and overcome the attitude of exclusiveness and the wrong tendency of closed-doorism and adventurism.

We must understand that the internal relations in the united front led by our party are in essence a political alliance between the party and people not in the party. The comrades of the whole party first face a problem of taking a correct view of themselves on this issue. From the overall point of view, our party's contributions to the Chinese revolution greatly exceed those of any other political force in revolutionary movements in recent Chinese history; this is a fundamental and irrefutable fact about the Chinese revolution. Otherwise, how was our party able to qualify for leadership and become the leading party? Of course, we do not mean that because our party is such a great leading party, every party member will naturally be wiser than our friends outside the party. From the individual point of view, there are quite a number of party members who are not necessarily wiser than democratic figures outside the party. Certain party members are even far inferior to democratic figures outside the party! So far as knowledge is concerned, some people who claim to be Communist Party members are not knowledgeable; and so far as mass relations go, they do not get along well with the masses. As for patriotic sentiment, they always criticize our country in every aspect and think that we are inferior to others! Moreover, some of our party members are divorced from the masses. They lack self-knowledge although they are despised by the masses. This is really dangerous. We must take a correct view of the targets for our work among these 100 million people, and also take a correct view of ourselves. The comrades of the whole party must clearly understand that for a time in the past, under the guidance of erroneous "leftist" ideology, we were unfair to our friends outside the party in many respects; it was not the case that they were unfair to us. We must get rid of the "government office" work style and run the party's united front departments as houses of friends. We must certainly not fear difficulties, fear acting in a rightist fashion, and fear having to face a reckoning. We must unswervingly carry out the party's correct principles and policies. We must certainly not act in a domineering fashion; we must take a comradely attitude to our friends outside the party--treating them as equals and promoting mutual consultation and learning. In a word, we must establish and develop relations of utter devotion and of sharing honor and disgrace. Of course, to make all comrades in the party understand this truth is not a task which can be accomplished overnight. But the situation will be much better if we can convince all our leading cadres at all levels in the party, in particular those comrades in charge of united front work, and urge them to keep this truth in their minds.

What Tasks Should We Promote in Dealing With Domestic United Front Work at Present?

Currently we should tackle the following four main tasks:

The first main task is to step up education in the whole party concerning the united front policies for the new period and eliminate the pernicious influence of "leftism."

How to correctly understand the content, significance and function of the united front under the new historical conditions remains a big problem for many comrades. This requires us to vigorously enhance, in terms of ideology, theory and policy, the level of understanding of the whole party, first of all of the leading cadres at different levels, including comrades working in all departments, of united front work.

How should we deepen our understanding of united front work in the new historical period? The fundamental way is to closely integrate the theoretical principles of Marxism-Leninism-Mao Zedong Thought and our party's historical experiences with today's new historical conditions and our party's tasks in the new period, and to carry out reeducation in united front theory and policies. We should organize comrades who are engaged in united front work in various fields to conscientiously study the party's guidelines adopted since the third plenary session. We should also organize them to restudy Comrade Mao Zedong's brilliant works on problems concerning the united front. In pursuing his studies on problems concerning the united front, Comrade Mao Zedong enriched and made great contributions to Marxism-Leninism. We should by no means overlook or even give up the scientific ideological wealth left behind by Comrade Mao Zedong just because of the serious mistakes he made during his later years. We must absorb wisdom and strength from Comrade Mao Zedong's brilliant works and push ahead with united front work in the days to come.

The second main task is to allow all democratic parties and other popular bodies possessing a united front nature to work independently and to bring their enthusiasm into full play.

We must say that this is an extremely important part of the mass line we are adopting in united front work, and one of our extremely important forms of uniting with the vast number of friends outside the party and urging them to contribute to the building of socialist modernization.

Under the new situation in which the Chinese revolution was entering the period of the war of resistance against Japan, Comrade Mao Zedong pointed out in good time that we were bound to adapt to the circumstances by changing our usual armed force deployment, organizing and building up a mighty force, including all possible revolutionary friendly forces, with the aid of the weapon of the united front. This correct principle of Comrade Mao Zedong's guided our party to great successes. In summing up the experiences gained in the struggle in north and central China during the early period of the war of resistance against Japan, Comrade Liu Shaoqi profoundly pointed out that the reason why we failed then to open up a new prospect in our struggle against the Japanese invaders was because some responsible comrades, unable to adapt to rapid historical developments, failed to change in good time their work style and work boldly and resolutely. Today's new historical period can be regarded as the starting period of the resurgence of our cause. Our comrades must adapt to the needs of the great changes and developments in this period, make every effort to create a new way of working which will help to activate an unprecedentedly enormous contingent and open up new prospects. As long as we are adept at working in the new way, including giving full play to the roles of democratic parties and other people's organizations of a united front nature, we will be able to multiply our forces and thus do several times more good deeds than we have done so far. In the past, we gave free rein to the initiative of the China Democratic National Construction Association and the All-China Federation of Industry and Commerce, and thus mobilized them to actively assist the party and the government in making proper arrangements for employing former industrialists and businessmen. Is this not a convincing example? Historical facts have repeatedly shown that it is perfectly possible for democratic parties and other people's organizations of a united front nature to do a great deal of good deeds so long as we give free rein to their initiative and, in the meantime, appropriately help them in terms of guiding principle, policies and methods. Therefore, giving full play to the wisdom and ability of hundreds of thousands of figures outside the party is a key link for us in learning scientific leadership methods, improving our relations with figures outside the party, and consolidating the political alliance between the party and the nonparty figures.

In short, we must be adept at deploying our available mighty forces. In the early period of the war of resistance against Japan, we had only several tens of thousands of party members. However, as the correct guideline and policies were adopted and a vast number of intellectuals, patriotic veteran military officers and patriotic political forces were mobilized, we eventually formed a truly mighty army and thus rapidly opened up new prospects. These historical experiences are worth summing up properly, carrying on and developing under the new historical conditions.

The third main task is to vigorously grasp the implementation of policies, including those on democratic parties, intellectuals, Kuomintang personnel who have come over to us, former industrialists and businessmen, dependents of people who went to Taiwan, minority nationalities, people in religious circles, returned Overseas Chinese, dependents of Overseas Chinese living abroad, and so on.

During the 10 years of upheaval, many of our party members and friends were accused of being "counterrevolutionary." This seriously sabotaged our party's political prestige. The "gang of four" has been smashed for more than 5 years now, but a lot of problems are still left unsolved as far as the implementation of policies is concerned. The policy toward old cadres has probably been well implemented, but other policies have not been well implemented. In some areas, as soon as implementation of policies is mentioned, it means difficulties and demands for money. As a matter of fact, implementation of policies is not always so difficult and does not always require money. For instance, how much does it cost and how difficult is it to make conclusions, rehabilitate people's reputation and make job arrangements? Making job arrangements does not necessarily mean spending more money. We can do it by means of expanding the collective ownership system and developing the individual ownership system. A more difficult problem is the problem of housing, and it is necessary for us to solve this problem step by step. Therefore, it is wrong for us to complain and sigh all the time about the problem of implementing policies. If it is really that difficult, how could some provinces and municipalities have done so well in implementing policies?

An important factor accounting for the fact that the implementation of policies has not been well promoted is that some leading organs do not sufficiently understand local conditions and do not dare to uphold justice. Comrade Zhou Enlai said it well--"understand the situation, study policies, make personnel arrangements, readjust relations." It so happens that at present, some of our leading comrades, including comrades of the united front work department, fail to do this. Some comrades are still worried about making "leftist" or rightist mistakes. Is such a state of mind able to promote united front work? These comrades should change their state of mind and discard their endless worries. Our comrades should always bear in mind that it is our unshirkable duty to do a good job of united front work. We shoulder the unshirkable duty of promoting socialism, building the great motherland and realizing the reunification of the motherland. We must go all out and do a good job in our work for the sake of our cause of socialist modernization. Certainly, besides the problem of state of mind, we must maintain vigilance against people who are still connected with the "gang of four." These people stubbornly delay the implementation of policies and pose a problem of a different nature. We must punish these people with party discipline and absolutely cannot tolerate or be soft toward them.

When acting as governor of Chaozhou Prefecture, Han Yu, a Tang dynasty man of letters, wrote an "Elegiac Address to the Crocodile," giving the crocodile, a local pest, a deadline for departing and going into the sea. He said: "If it can't be done in 3 days, then it can in 5. If it can't be done in 5 days, then it can in 7. If it can't be done in 7, this means the crocodile is not willing to go," in which case the crocodile is "impenetrably thickheaded" and must be punished for refusing to obey orders. There is no harm in our now copying Han Yu's expression. We say, if you don't implement the policies in 1 year, then you will in 3; if you won't do it in 3 years, then you will in 5; and if you won't do it in 5, then you will do it in 7. This is the sixth year since the "gang of four" was smashed, and next year will be the seventh year. If you still don't implement the policies in 7 years, then we will say you are impenetrably thickheaded. This is in essence a major question of principle of whether you are maintaining political unity with the CCP Central Committee. Can we have a vague understanding of such an important question of principle?

Our comrades must fully understand that the question of implementing policies is related to the state's political situation of stability and unity, the strengthening, prosperity and reunification of the motherland, the consolidation and development of the patriotic united work front and the smooth progress of socialist modernization. Despite the scope involved and the workload, we must be determined to do a good job of implementing the various policies. Our party pays much attention to reputation. We adopt a serious attitude toward everything and mean what we say. So how are we going to answer our friends both inside and outside the country if we still cannot do a good job of implementing the policies this year and the following year!

The fourth main task is that we must make proper arrangements for figures outside the party and improve relations of cooperation with them.

What Should We Learn From Comrade Zhou Enlai?

In order to open up a new situation in united front work, we propose to all comrades of the united front that it is necessary to work hard and learn from the good thinking, good work style and good moral quality of Comrade Zhou Enlai.

As we all know, in summing up the experiences of the Chinese revolution, Comrade Mao Zedong laid down three great magic weapons for our party, one of which was the united front. However, as far as actual struggle is concerned, during the decades of the Chinese democratic revolution period and the socialist period, Comrade Zhou Enlai was the one who made the greatest contributions to the establishment, consolidation and development of the revolutionary united front under the leadership of the party. Comrade Zhou Enlai is worthy of the title of an outstanding model in united front work since the building of our party. He won over, united, and educated batches and batches of friends outside the party for the good of our party and the cause of the Chinese revolution. He enjoyed high prestige among his friends both inside and outside the country and added color to our party.

However, when our party made mistakes and suffered setbacks in the course of struggle, many friends understood and forgave many of our mistakes and expressed sympathy and strengthened their confidence in us because there was the lofty image of Comrade Zhou Enlai. The great contributions of Comrade Zhou Enlai to the Chinese revolutionary united front, his glorious figure and mental power will live forever. Therefore, all of us and, in particular, comrades of the united front should strive to learn from the example of Comrade Zhou Enlai.

What should we learn from him? In general, we must learn the following four things:

First, we must learn from Comrade Zhou Enlai's farsightedness and revolutionary breadth of spirit.

Marx and Engels said in the "Communist Manifesto" that all that the proletarians lose during the revolution is their chains and in return they gain the whole world. Marx added that only by emancipating the whole of mankind can the proletariat ultimately emancipate themselves. It is because Comrade Zhou Enlai had such Marxist farsightedness and revolutionary breadth of spirit, and could handle all kinds of practical work including united front work with such farsightedness and revolutionary breadth of spirit, that he could adopt a firm stand, fear no dangers, and be unshakable in working in the most dangerous, most difficult and complicated areas during the tortuous and great struggle of the Chinese revolution. It is also because Comrade Zhou Enlai had farsightedness and revolutionary breadth of spirit that he could consistently uphold his lofty ideals and pure sentiments under complicated circumstances and could emerge unstained from filth. In addition, he also had a vast field of vision and stood on the high plane of emancipating the whole of mankind to win over, unite and transform all those who could be won over, fully displaying a proletarian revolutionary's mental power in thinking, politics, morality and justice.

Second, we must learn from Comrade Zhou Enlai's democratic spirit of treating people as equals.

Comrade Zhou Enlai was a hero of indomitable spirit in the face of any strong enemies, but he never put on airs in front of the people and the friends of the people. He always treated others as equals, taught others with skill and patience, discussed problems with friends and never looked down on others during discussions. As a result, people never felt uneasy under his leadership. He deeply realized that a leading position is insufficient for one to obtain knowledge and experience, and, therefore, he always turned his face to the masses, made a lot of friends, and improved his own knowledge by absorbing the masses' wisdom through frequent and close contacts with the masses and various forms of frank talks. At the same time, he enthusiastically helped his friends and encouraged others to advance. It is because of this that Comrade Zhou Enlai could avoid rigid ways of thinking and could ceaselessly advance until the day he died.

Third, we must learn from Comrade Zhou Enlai's revolutionary character in being ready to take up the cudgel for a just cause.

Comrade Zhou Enlai not only dared to take responsibility for the toughest tasks during the revolutionary struggles, but also upheld justice in dealing with the questions of right and wrong among the revolutionary contingents. He was bold in insisting on right things, criticizing his own mistakes, helping others when they made mistakes, speaking out from a sense of justice when people were wrongly accused, and taking responsibility for problems which emerged within his scope of leadership. As a result, he aroused the enthusiasm of the broad masses of cadres. All this means being ready to take up the cudgel for a just cause! All our party comrades have deeply realized what valuable contributions Comrade Zhou Enlai made to protect the party and the people under very complicated historical conditions such as those during the "Great Cultural Revolution." No matter what happens, we must uphold justice and be ready to take up the cudgel for a just cause. This is a character all Communist Party members should have.

Fourth, we must learn from Comrade Zhou Enlai's lofty quality of setting strict demands on himself.

Comrade Zhou Enlai always realized his own shortcomings and therefore always set strict demands on himself. "One is never too old to learn or reform." This is what he always said and he did what he said. This should become a motto for all our party members. He paid much attention to teaching others by his own example, earnestly practiced what he preached and set strict demands on comrades who worked with him. He worked hard around the clock every day and did not slacken his efforts even when seriously ill. His spirit not only is unforgettable to the Chinese people but also has deeply touched many foreign friends.

Comrade Zhou Enlai has left us for more than 6 years now. However, his great contributions to united front work during his lifetime, his spirit, work style, and moral quality will live forever. All of us, and in particular comrades engaged in united front work, should be his students. Today, all our cadres of the United Front Work Department are the successors to our party's united front cause which was opened up and cultivated by Comrade Zhou Enlai. We should feel no qualms about our predecessors and should refrain from being inert and from being weak and incompetent. In the new historical era, we are confident, capable and can find a way to open up new prospects in united front work.

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A MAJOR EVENT IN THE STATE'S POLITICAL LIFE

Beijing RED FLAG in Chinese No 9, 1 May 82 pp 7-8, 12

[Editorial]

[Text] The "draft of the revised constitution of the PRC" has been examined and approved by the national constitutional revision committee, and a resolution has been passed by the 23d Meeting of the 5th NPC Standing Committee for its publication and for its discussion by the people of all nationalities throughout the country. This is a major event in the state's political life. We must do a good job of the nationwide discussion of the "draft of the revised constitution."

The "draft of the revised constitution" makes substantial revisions to the current constitution. The current constitution of our country was approved at the First Session of the Fifth NPC in March 1978. At that time, the "gang of four" had been smashed only a short time before and the 3d Plenary Session of the 11th CCP Central Committee had not been convened. Owing to the limitations of the historical conditions at that time, there was not enough time to make a comprehensive summing-up of the experiences and lessons of the socialist revolution and construction in the 30 years after the founding of the PRC, and there was not enough time to thoroughly eliminate the influence of some "leftist" ideas emerging during the decade of turmoil on the articles of the constitution. Consequently, in the current constitution there are quite a few elements that reflect outdated and erroneous political theories and viewpoints and quite a few regulations that do not conform to the practical situation. Although the second and third sessions of the Fifth NPC had made some amendments to one or two articles, no great changes had been made. Since the 3d Plenary Session of the 11th CCP Central Committee in December 1978, great changes have taken place and major progress has been made in the political, economic and cultural life of our country. The party and state have shifted the focal point of the work, the party has made a new and scientific analysis of the class situation in the country, the state has scored major achievements in building a socialist democratic system and has set forth further demands, and major reforms of the state leading system and the national economic system are being carried out. The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" approved by the 6th Plenary Session of the 11th CCP Central Committee in particular has accomplished the task of bringing order out of chaos in the guiding ideology, comprehensively summed up the historical experiences in the socialist revolution and construction and explicitly defined a path and some major points for achieving socialist modernization that are applicable to the situation in our country. All this was not and could not have been reflected in the current constitution. Moreover, as a fundamental law of the state, many of the articles and stipulations in the current constitution are also not complete, well-knit, specific and explicit. In brief, the constitution approved in 1978 does not keep abreast of the political, economic and cultural reality of our country or suit the needs of the modernization drive of our country. In September 1980, at the suggestion of the CCP Central Committee, the Third Session of the Fifth NPC passed a resolution on setting up a constitutional revision committee to take charge of the work of revising the current constitution. In the past year and more, under the solicitude and leadership of the CCP Central Committee, the constitutional revision committee and its secretariat, acting on the principles that "the leadership should integrate itself with the masses" and that "the experiences of our own country should be integrated with international ones" and proceeding from the fundamental interests of the people of the whole country, have carried out extensive investigations and studies to collect opinions from various quarters. After repeated deliberations and discussions, they have set forth the "draft of the revised constitution" for discussion. After examining and revising the draft for discussion chapter by chapter and article by article, the NPC Standing Committee passed a resolution for its publication. After extensive discussions by the people of the whole country and further revisions, it will be submitted to the Fifth Session of the NPC to be held this year for examination and official approval. Revising the constitution is a very serious and earnest job. It is a project of far-reaching significance in building our country politically during the new historical period.

Of the three constitutions we had before, the one approved by the First Session of the First NPC in September 1954 was a fairly good and consummate one. At that time, under the leadership of the CCP Central Committee and Comrade Mao Zedong, the work of drawing up the constitution was carried out in a very serious and solemn manner. It was during the "Great Cultural Revolution" that the constitution was practically annulled. The next two constitutions reflected in different degrees the abnormal situation in the state's life, but they were very imperfect. However, in 1954, when the work of socialist transformation had just started, it was naturally impossible for a constitution that came into being at that time to reflect the situation of the state after the completion of the socialist transformation. The current "draft of the revised constitution" has retained many of the stipulations of the 1954 constitution that are still applicable today. At the same time, in the light of the great changes in the situation of the country since then and under the guidance of the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC," it has paid full attention to summing up the great achievements and basic experiences of the socialist revolution and construction in our country in the past three decades and added many new stipulations. The "draft of the revised constitution" has summed up the fundamental experiences in our history in the past 100 years and more, particularly since the beginning of this century, and recorded the achievements of the people of the whole country in their protracted struggle in the course of the new democratic revolution, the socialist revolution and socialist construction. The draft takes as its general guiding ideology the upholding of the four basic principles and, in the form of a fundamental law, defines the fundamental task of the people of the whole country as the building of our country into a modernized state with a high degree of democracy and civilization. It has also showed clearly the domestic guarantee and the international conditions for accomplishing this task--strengthening the unity of all nationalities throughout the country and the unification of the country at home and, in international affairs, upholding the correct foreign policy, strengthening mutual support with the peoples of various countries, safeguarding world peace and promoting the progressive cause of mankind. Acting on historical experiences and proceeding from reality, the draft has defined fairly completely the fundamental political and economic systems of the state and the principles for developing culture and building spiritual civilization and enriched the contents of the fundamental rights and duties of citizens. In accordance with the principle of democratic centralism and the needs of the new historical period, the draft pays attention to strengthening the building of state organs and makes some important new stipulations on state organization. In brief, the "draft of the revised constitution" has been revised and drawn up under a correct guiding principle after our party had accomplished the task of bringing order out of chaos in the guiding ideology. It has absorbed quite amply historical experiences and lessons and has recorded quite amply the great progress our country has made in various aspects and the orientation of reforms since the third plenary session of the party. It is therefore a fairly consummate and well-considered draft.

As a result of the efforts of the people of the whole country in the past few years, the various aspects of the country have now been restored to normal and have become stable, and the long-term objective of struggle has also been made clear. After being extensively discussed by the people of the whole country, who will sum up their ideas and make further amendments, and after being examined and approved by the NPC, the draft will become the fundamental law of our country during the new historical period. It will be a stable and solemn fundamental law that will function over a very long historical period. It will play a far-reaching and important role in ensuring the long-term stability of our country, in building and improving our socialist political, economic and cultural systems, in ensuring the consolidation of the state and the democratic rights of the people, in achieving the institutionalization of socialist democracy and in building the socialist legal system. Owing to changes in the actual situation, it will perhaps be necessary to make some amendments in the future, but they will only be amendments or supplements to individual articles. The more prudent and careful we are in revising the constitution now, the more likely we are to have a constitution of long-term stability.

It is precisely for this reason that the current discussion of the "draft of the revised constitution" by the whole party is of very great significance. First of all, discussion by the whole people will make the new constitution more complete. A constitution gives expression to the will of the people of the whole country. The revision of the constitution should not be done by a small number of people and it is imperative to sum up correct ideas on the basis of a high degree of democracy. When the people of all nationalities, all localities and all strata throughout the country are engaged in extensive and fully democratic discussions, drawing on collective wisdom and absorbing all useful ideas, the constitution will be in a better position to reflect the conditions of the whole country and the will and aspirations of the entire people. Secondly, the discussion of the "draft of the revised constitution" by the whole people is also a nationwide study or self-education in the fundamental law of the state. Owing to the fact that socialist democracy and the legal system in our country are still incomplete and that, over a considerably long period of time in the past, the constitution has been cast aside or has been incomplete, with the result that no attention has been paid to it, there is quite an extensive lack of knowledge and sense of a constitutional and legal system among the people of our country. It is necessary, by means of discussion by the whole people, to raise the understanding of the cadres at various levels and the broad masses on the status and function of the constitution in the state's life and raise their consciousness in abiding by and defending the honor of the constitution. The discussion of the constitution by the whole people serves as a school for the cadres at various levels and the broad masses to study and grasp the basic spirit and main content of the constitution. It is necessary, by means of discussion by the whole people, to raise the understanding of the cadres at various levels and the broad masses on the four basic principles and the fundamental tasks of the people of the whole country in the future, on our socialist political, economic and cultural systems and the major principles of the state and on the fundamental rights and duties of citizens, and make clear the relationship between an individual citizen and the state as well as his due responsibility and duties to the state and society. Finally, the discussion by the whole people is in itself a study and training by the entire people in correctly exercising their democratic rights and promoting their democratic life. In building socialist democracy, it is necessary, on the one hand, to institute and improve the various democratic systems. On the other hand, it is necessary to demand that the numerous cadres and the broad masses learn to correctly exercise their democratic rights and respect the democratic rights of other people and that they cultivate the habits of democratic life. The accomplishment of this point is a long-term process of study and training. It is stipulated in the "draft of the revised constitution" that the people have the right "to manage state affairs, manage economic and cultural undertakings and manage social affairs through various channels and forms." The fact that it will take the people of the whole country several months to discuss the fundamental law of the state fully reflects the socialist democratic nature of our country. It is at the same time an opportunity for the people to learn to manage state affairs. Through their concern for and discussions of the "draft of the revised constitution" the broad masses will be able to raise their sense of responsibility as masters of the country, learn to manage state affairs and cultivate the habits of democratic life.

In brief, doing a good job of discussing the "draft of the revised constitution" is of long-term and great significance to our country. We should attach great importance to this work and, under the leadership of the party, take an active part in the nationwide discussion and revise and draw up the fundamental law of our country together.

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EXPECTATIONS OF THE PEOPLE AND THE PARTY--A TALK WITH NEWLY PROMOTED CADRES

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[Article by Commentator]

[Text] At present, a number of middle-aged and young people who combine ability with political integrity and are in the prime of life have taken up their leadership posts. In 2 or 3 years, there will be more such fine cadres promoted in large numbers to leadership posts. They are taking up important leadership work in party and state organs at all levels. The historical mission of carrying forward and promoting our cause will gradually fall on the shoulders of the masses of middle-aged and young cadres.

The task of the current era is to carry on and develop the glorious cause pioneered by proletarian revolutionaries of the older generation and build our country into a modern, highly democratic and highly civilized powerful socialist country. Can the newly promoted comrades assume their own leadership duties and dare to shoulder the heavy burdens of their new posts and accomplish something great? Can they, like the comrades of former years, unite closely with the people in accomplishing the historical mission with which we are charged by the era? Can they refuse to be influenced by others' flatteries, refrain from serving private ends, adhere to the proletarian principle of party spirit and become reliable successors to the proletarian revolutionary cause? This is really a severe test for newly promoted comrades. We trust that newly promoted comrades can stand such a test.

Since the downfall of the "gang of four" and especially since the 3d Plenary Session of the 11th CCP Central Committee, our party, after hard work, has completed the process of turning chaos into order where guiding ideology is concerned. It has restored the Marxist ideological, political and organizational lines and formulated a series of general and specific policies geared to the national conditions of our country. A correct direction of advance is thus provided for us. After positive education and education by negative examples, our people have raised their socialist awareness. They show concern over the future of the state and support for the party's policy. They are filled with great ambitions concerning the socialist cause. This has provided us with a solid foundation for the proper handling of our work. Our older comrades still committed to first line work or already withdrawn to the second line are giving the newly promoted comrades the benefit of their experience, "passing on skills, lending a helping hand and setting examples." This has again provided our work with strong support. Therefore, the comrades newly promoted to leadership posts must, on the one hand, see the arduous nature of the historic mission on their shoulders. On the other, they must have full confidence and consciously and bravely take up this arduous and glorious historical mission.

Like the revolutionaries of the older generation, the newly promoted comrades must first of all cherish the pioneering spirit of being selfless and fearless. In their new posts, they must start with fervent revolutionary enthusiasm, a selfless spirit of dedication and a work style of being realistic and leading a simple life. Now, we have a large amount of work to do and many problems to solve. If we are afraid of difficulties and are fearful and indecisive in action, our enthusiasm and initiative cannot be brought into full play. This will make it impossible for us to accomplish something great. Of course, on the other hand, we must not act recklessly, ignore reality and seek immediate success. By so doing, we will also come to grief. The correct approach is to combine revolutionary spirit with a down-to-earth spirit of working hard. We must adhere to the party's four basic principles. In line with the party's correct guiding ideology, and after careful investigation and study, we must think out ideas and work out ways and means--ingeniously and unhesitatingly translating the party's line and general and specific policies into action in every task we supervise.

Newly promoted comrades face the problem of how to create a new situation. Our party's history tells us that whether a new situation can be created at a turning point in history has a great bearing on the development of the revolutionary cause. To create a new situation, we must, like the proletarian revolutionaries of the older generation, uphold firmly and unswervingly strategic ideas. We must have the strategic foresight to view the situation as a whole and show indomitable revolutionary will. That is, we must display the spirit of daring to act and to hold ourselves responsible. Furthermore, in observing and handling any problem in work, we must act with the whole and not the partial situation in mind. We must have long-term plans. We must keep the main goal in sight and keep busy with daily tasks. We must wage a two-line struggle. We must meet the demands of tremendous changes and great developments and strive to create a new method of work. We must use the major principle reflecting the nature of things to guide various minor principles. Only by so doing, can we avoid being held spellbound by partial, incidental and superficial phenomena (including certain false ones). And only in this way can we remain clearheaded, can we combine political firmness with scientific foresight, and can we gain new leadership experience and create a new situation in work.

Newly promoted comrades all face the same problem: they must quickly grasp all there is to know about a new job and get used to new leadership work. Changes in work environments and conditions should also be accompanied by appropriate changes in the standpoint from which we view a problem and even changes in work methods. Some comrades are well acquainted with the conditions of a given bureau. But if they act as leadership cadres, their knowledge and their accumulated experience will surely prove inadequate. They must have leadership experience covering a wider field. This task requires us to make investigations and studies in order to have a better and an overall idea of the conditions of a given department and a given area. Of course, to acquaint ourselves with conditions, we can scan documents, study data and listen to reports. But the most important thing is to get involved with reality and with the masses to make investigations and studies. "We must constantly ascertain social conditions and make investigations and studies." ("Selected Readings From the Works of Mao Zedong," type-A edition, p 25) Only in this way can we have firsthand data at our fingertips and really have the right and the initiative to speak. Comrade Mao Zedong included the kind of people who refrained from making investigations and studies but lost themselves in thinking. He held that a small number of people who confined themselves to their rooms "figuring out ways and means" and "thinking out ideas" would surely come up with wrong methods and wrong ideas. Our party has traditionally attached importance to investigation and study and has said that this is of primary importance to leaders. The leading comrades of our party Central Committee have played an exemplary role in this respect. Despite the heavy pressure of work, they constantly take time out to get close to the masses to make investigations and studies. Newly promoted comrades are generally in the prime of life and should constantly go deep among the masses to get acquainted with conditions and do a good job of making investigations and studies.

An important aspect of leadership work is to unite cadres, make proper use of cadres and build the contingent of cadres well. Only by so doing can everyone speak the same language, can there be friendly relations and mutual support and understanding between comrades, can we really achieve the aim of working toward the same goal, and can we arouse the enthusiasm of the entire rank of cadres to bring about stability and unity and do various tasks well. In using cadres, we must act according to the principle of party spirit, insist on playing fair and square and using people on their sheer merits. We must make a point of uniting these people who oppose us and who oppose those who have erred. So long as those comrades who have erred admit their mistakes and correct themselves in practice, we should refrain from discriminating against them. Concerning old comrades who have retired, we must respect them, humbly learn from them and take the initiative to listen to their opinions. This is an important prerequisite for the proper handling of the unity of cadres. Regarding the contradictions and cases of disunity that have arisen among cadres for historical reasons, we cannot listen to the story of only one side and must do more work aimed at solving misunderstandings. The aim is to arouse them to get united in the process of advance. In our new posts, we are likely to encounter people who do not take the overall interests of the state into consideration, people who show no cooperation or support for our work, and even individuals who make things difficult for us, ridicule us and try to strike at and get rid of us. In the face of all these conditions, we must keep cool and take a correct approach. It is wrong to resign ourselves to a state of anxiety or allow ourselves to become depressed. We must not give up doing ideological and political work with unity in mind, nor must we use the wrong methods to cope with what is wrong. This will only end in our isolation. In the period of the Three Kingdoms, Old General Cheng Pu did not reconcile himself to the promotion of Zhou Yu as governor and often threw his weight around, making things difficult for others. But Zhou Yu did not repay in kind. Instead he used correct methods to make Cheng Pu wake up. Later, the two became the best of friends. They played an important role in consolidating the regime of Eastern Wu. Ancients could act like this. We Communist Party members should go one step further. Newly promoted comrades must devote themselves to serving the public heart and soul, pay close attention to the building of the ranks of cadres and strive to distinguish between right and wrong, between what deserves punishment or praise, and between rewards and penalties. If we can unite the great majority of comrades, we can direct the overwhelming majority of cadres' thoughts and talent toward work.

As far as the leadership post is concerned, there is the problem of keeping in close touch with the masses. The mass line is our party's fundamental line. Keeping in close touch with the masses is a mark that distinguishes our Communist Party from other political parties. The only source of our knowledge is the practice of the masses of people and their collective wisdom and collective experience. Newly promoted comrades cannot throw their weight around and put on airs, drifting apart from the masses just because they have been promoted and become "officials." Moreover, we must note that given a promotion and a change in our duties some people are not likely to behave and talk as freely as they did to us before. Therefore, a newly appointed leader must consciously overcome these obstacles and show more initiative in getting close to the cadres and people at lower levels, talking more with them, supporting their supervision. If we do not do so, we are unlikely to hear of differing views. It is all the more difficult for us to hear of any criticism from the masses of the defects and mistakes in our work. We are thus liable to blindly believe that everything we have done is right. This is highly dangerous.

After we assume new leadership duties, people will ingratiate themselves with us in this way or that. Flattery is a vulgar practice of the exploiting class and also "a sugar-coated bullet." We must remain clearheaded and refuse to be moved. Flattering remarks are of course not to be taken seriously, still less should an exaggeration that boosts one's ego be accepted. The reasons for this are given. In the "Record of the Warring States" is a story about Zou Ji's ridiculing ruler Qi's acceptance of an admonition. Zou Ji's wife, his concubine and his guests all praised him as being more handsome than Duke Xu. Actually, he was just no match for Duke Xu in looks. He pondered over it throughout the night. It dawned on him that "my wife says that I am handsome because she is biased toward me. My concubine says that I am handsome because she is afraid of me. My guests say that I am handsome because they have something to ask of me." All those people that respond to flatteries will surely be deceived. As time goes on, they will make the mistake of drifting apart from the masses. In the world, this situation is unknown: given a promotion, a person's ability and his level automatically rise. Therefore, we must always make a one-divides-into-two analysis of ourselves, so that we can always maintain the style of being humble and modest and free from arrogance and rashness. We must always remain the respectful pupils of the masses of people and cadres. In the revolutionary ranks, there are many heroic figures, model workers and leading cadres who originally distinguished themselves by their outstanding achievements. But yielding to "flatteries," they have waxed arrogant. They remain at the same level without making any progress and end up drifting apart from the masses. Some have even consigned themselves to oblivion. Mr Lu Xun once mentioned the serious harm of flattery. He said that flattery can have the effect of ruining the career of someone of consequence and making it impossible for him to stage a comeback for many years. This should particularly arouse the vigilance of those comrades newly assigned to leadership posts. In no way should they give the flatterer an opportunity to get his way.

Now, there prevails on the social scene an unhealthy practice of "asking favors." Some of our cadres command no respect among the people. What they say goes unheeded. This is often because in handling major and minor issues concerning their own interests and their own relatives, they compromise themselves in all cases of "asking favors" and fail to uphold the party's principles. Some comrades think nothing of these so-called trifles. These trifles seem like nothing and seem forgivable in light of the large amount of work they have contributed. Therefore, they assume the wrong attitude of excusing and giving themselves encouragement. They do not know that these "trifles" reflect how firm an individual is in upholding his concept of public and private interests and the principle of party spirit. If in times of peace these trivial matters in private life cannot be properly taken care of, how can we unhesitatingly sacrifice ourselves in wartime or at a time when we are called on to risk death? Today, stopping the practice of "asking favors" is no minor problem. It is a problem concerning the reputation of the party and its purity which must be protected. Many serious economic crimes show that some leading cadres' involvement, their lapse into mistakes and even their degeneration began as matters of compromising out of personal consideration. Wholehearted devotion to duty in serving the people is our party's basic aim. Every cadre of our party has only the obligation of wholeheartedly and assiduously serving the people, and never the right to abuse authority to serve the interests of any individual or small group. What Comrade Zhou Enlai said on many occasions about cadres standing the five tests (the ideological test, the political test, the test of personal considerations, the social test and the test of life) is really significant. His glorious and great life--as exemplified by his cautious and conscientious approach, his devotion to the public without any thought for self, his adherence to principle without being swayed by personal considerations and his defiance of death--is in itself a shining example for us to follow. Comrades newly promoted to leadership posts cannot avoid experiencing various incidents of "asking favors." In our approach to such matters, we must emulate Comrade Zhou Enlai and resolutely uphold the party's principles. We must display the militant spirit of Communist Party members, uphold what is right and resist what is wrong.

To do a good job of leadership work in the historical conditions of today, we must have scientific and cultural knowledge and technical knowledge. We must cherish the spirit of doggedly, perseveringly and fearlessly doing research. Now there is serious waste by the state. There are so many loopholes in the management system. Actual work is marked by lack of a scientific basis and originality. All this has to do with our inadequate scientific and cultural knowledge and our inadequate knowledge of scientific management. We must of course learn how to build projects in the course of construction. We must also squeeze time out to study and research the subjects that we need to know about in our own fields. As far as comrades with some fundamental knowledge are concerned, they also must not remain satisfied. They must keep taking time out to study and to do research. In the new historical period, leaders must be politically advanced and professionally trained. This is an important requirement for the proper handling of our work. Using the pressure of work as an excuse to relax our efforts in acquiring technical knowledge is also a manifestation of lack of enthusiasm and fear of difficulties. This must be resolutely corrected.

In any leadership post, a newly promoted comrade must take up the duty of seriously studying Marxism-Leninism-Mao Zedong Thought. Such a study effort must be combined with the cultivation of ideological awareness in a serious effort to transform the world outlook. Only in this way can we grasp revolutionary theory as a weapon. Only in this way can we raise the ability to distinguish between right and wrong and to correctly solve various problems encountered in the process of revolution and construction, and can we avoid going astray in the face of complicated phenomena and maintain the communist purity of Communist Party members. Also only in this way can we become sober-minded, resolute Marxists. As far as a leader is concerned, he has little future if not armed with theory. A well-known remark from Comrade Zhou Enlai: "We must live to learn and to transform ourselves," must be cherished as our motto.

The people and the party committee have vested a weighty mission in the new generation and have great expectations for them. We proletarian revolutionaries of the older generation and numerous revolutionary veterans have made our contributions in the glorious history of founding the new China. Newly promoted comrades should use their own revolutionary experience and fervently keep working toward creating the glorious history of building a modern and powerful socialist country. Several decades hence, when our descendants speak of this era of ours, they will, just as we do with the proletarian revolutionaries of the older generation and many old comrades today, say: They are the pride of the party and a generation of worthy proletarian revolutionary fighters.

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AN INVIOLABLE BASIC PRINCIPLE--SOME UNDERSTANDING ON UPHOLDING THE POLICY OF RELYING MAINLY ON THE PLANNED ECONOMY AND SUPPLEMENTING IT WITH REGULATION BY MARKET MECHANISM

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[Article by Fang Weizhong [2075 4850 0022]]

[Text] I. Several Talks by Comrade Chen Yun

The idea of a socialist economy having to mainly rely on planned economy while making regulation by market mechanism subsidiary was advanced long ago by our party.

After the basic completion of socialist transformation in 1956, Comrade Chen Yun explained this point at the 1st Plenary Session of the 8th CCP Central Committee:

"The situation of our socialist economy will be: In industrial and commercial management, state management and collective management will be the principal part of our industry and commerce, but there will also be a certain amount of individual management. This individual management will be supplementary to state management and collective management. In production planning, the principal portion of industrial and agricultural products of the whole country will be based on planned production, but at the same time, there will be free production of some products based on market changes and within the extent permitted by the state plan. Planned production will be the mainstay of industrial and agricultural production, and free production based on market changes and within the scope permitted by the state plan will be a supplement to planned production. Therefore, our market will absolutely not be a capitalist free market but will be a socialist unified market. In the socialist unified market, the mainstay will be the state market, but there will be to a certain extent a free market under state leadership. This free market will be a supplement to the state market under the leadership of the state. Therefore, it will be a component of the socialist unified market."

This talk by Comrade Chen Yun completely expounded the idea of mainly relying on the planned economy while making regulation by market mechanism subsidiary. Unfortunately, this idea was later subjected to leftist interference and could not be properly implemented.

In the early part of 1979, Comrade Chen Yun reiterated more explicitly the principle of mainly relying on the planned economy while making regulation by market mechanism subsidiary, and pointed out that there must be two parts in the national economy throughout the socialist period: 1) the planned economy part (planned and proportionate part); 2) the part involving regulation by market mechanism (or the unplanned part based on self-regulatory market demands). The first part is basic and primary; the second part is subordinate and secondary, but also necessary. He pointed out that what we have done by adhering to planned and proportionate development in our planning work is correct, and the only shortcoming is that "planned and proportionate" does not include "regulation by market mechanism." He pointed out that the present planning is too rigid and includes too many things, regulation by market mechanism is being restricted, production cannot become rich and colorful, and the articles of daily life required by the people have become very drab.

Here, Comrade Chen Yun stressed the need to improve our planning system, called for giving play to the supplementary role of regulation by market mechanism while adhering to the principle of mainly relying on the planned economy, and criticized some comrades for not understanding the inevitability and necessity for doing so.

Since 1979, we have made some improvements in the economic system. To a certain extent, we have corrected the shortcomings of excessive planning and over rigid control and have paid attention to giving play to the role of regulation by market mechanism. Our general orientation is correct. For some time there have been mentions of "integrating regulation by planning mechanism and regulation by market mechanism" in some documents. This formulation has played a positive role in changing the situation of not paying attention to regulation by market mechanism. However, placing regulation by market mechanism and regulation by planning mechanism side by side can easily lead to misunderstanding. In December 1980, Comrade Chen Yun pointed out at the central work conference: "Our state takes the planned economy as the mainstay." According to Comrade Chen Yun, the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC," adopted at the 6th Plenary Session of the 11th CCP Central Committee in June 1981, clearly stated: "It is necessary to give play to the supplementary, regulatory role of the market on the basis of public ownership."

In December 1981, Comrade Chen Yun, at a meeting of first secretaries of provincial, municipal and autonomous regional party committees, pointed out that the agricultural economy is an important part of the national economy and it is also necessary for agricultural economy to mainly rely on planned economy while making regulation by market mechanism subsidiary. Only in this way can it contribute to the long-term interests of the peasants and enable the state to carry out construction. At this meeting, he also talked about coordinating the construction of the nation like pieces in a chess game and working according to plan.

On 25 January 1982, in his talk with responsible comrades of the State Planning Commission, Comrade Chen Yun again discussed the subject of mainly relying on the planned economy while making regulation by market mechanism subsidiary. He pointed out that after carrying out the responsibility system in agriculture, there cannot be any exception to adhering to the above-mentioned principle. For example, the suburbs must plant vegetables according to plan, hog-raising tasks must be assigned, the acreage planted to tobacco must not be further increased, and the area sown to grain must not be further reduced. He pointed out that in order to properly grasp the relationship between construction and livelihood, the people must first have enough to eat and construction comes second.

From the emphasis in Comrade Chen Yun's recent talks on the importance of the planned economy, we can see that regulation by market mechanism can only be flexibly applied within the scope permitted by the state plan. Otherwise, it will shatter the state plan.

II. Great Practical Significance

Since the 3d Plenary Session of the 11th CCP Central Committee, we have carried out a preliminary restructuring of our economic system and achieved very good results in carrying out the policy of opening the door to foreign countries and invigorating the economy at home. People are beginning to manage the economy in accordance with economic laws. The gradual improvement in economic life has aroused the enthusiasm of the localities, enterprises, and the broad masses of workers and peasants for production and has promoted the development of the national economy. Practice has proved that such reforms are necessary because they conform with the wishes of the masses. Without such reforms there could not be today's excellent situation.

In the process of discussing and carrying out the restructuring of the economic system, many comrades have published articles analyzing the existing state of our economic system, exploring the orientation for restructuring the system and smashing some outmoded concepts, and the main trend is good. In the process of exploration, the appearance of some incorrect formulations is unavoidable. However, some articles have put forth some incorrect ideas and views which will lead to weakening and breaking away from the planned economy. For example, they have exaggerated the shortcomings of the planned economy and regarded blind command and ossification as the inevitable products and results of unified planning. They have refused to recognize the existence of the law of planned development and inappropriately exaggerated the role of the law of value. They have negated the instructiveness of planning and the necessity of administrative intervention and have advocated turning enterprises into independent economic entities. They have stressed that planning is bound to fail and regulation by market mechanism is bound to succeed, and have advocated establishing a planned economy on the basis of regulation by market mechanism. They have advocated that regulation by planning mechanism should only control macroeconomics and that microeconomics should completely rely on regulation by market mechanism. These ideas and views are divorced from the actual conditions in China and do not conform to the principle of mainly relying on the planned economy while making regulation by market mechanism subsidiary.

Generally speaking, the restructuring of our economic system and all our economic activities have been carried out with the orientation of mainly relying on the planned economy while making regulation by market mechanism subsidiary. However, because of the inability of management work to follow up, the lines of demarcation between some policies are not distinct and certain reform measures cannot be fitted in. On top of that, with the rise of departmentalism and decentralism in some units, certain tendencies of breaking away from and weakening the planned economy have also appeared in actual economic activities. For example, in agriculture, the quantity of important farm products, which come under requisition by purchase, fixed purchase quota and turnover to higher authorities, has become less and less. Some localities have dropped the unified purchase and fixed purchase quota tasks altogether, and this has resulted in a reduction of the area sown to grain. Some localities have lost control over the area planted to cash crops; consequently, some cities are not getting enough vegetables. In industry, some units are unwilling to accept the production plan and the allocation plan set by the state. They have willfully retained products in short supply on the market and arbitrarily expanded the extent of their own marketing, and have overfulfilled the planned production of the state on some highly profitable products in excessive supply. This has resulted in overstocking and false financial figures. In capital construction, the inability to control construction using self-raised funds and construction using bank loans has developed into blind construction in some places. In the field of circulation, because "all the workers, peasants, soldiers, students and traders want to be in business," they have blindly competed with each other, blocked each other, ruined the unified market of the country, and disrupted the planned supply and marketing of materials and the circulation of commodities. In the distribution of income, some enterprises have casually increased the proportion of profit retained and indiscriminately apportioned costs. The phenomenon of evading and not paying taxes is quite serious, and there is no control over cash awards and various welfare subsidies. In foreign economic activities, instead of adopting a unified policy and uniting against foreigners, they have each gone their own way, undercut each other's price and cut the ground from under each other. The profit of the locality and the enterprise is small, but the loss to the state is enormous. What merits pointing out is that these economic criminals, who have taken advantage of the loopholes in our economic management to engage in such sinister activities as smuggling and illegal transactions, corruption and graft, speculation and swindling, and embezzlement of state and collective property, are already running quite rampant.

The tendency of breaking away from and weakening the planned economy appearing in the above-mentioned theoretical propaganda and in actual economic activities should not be exaggerated, but this tendency definitely exists. If we ignore it and allow it to develop, it will become worse and worse and there could be a danger of shattering the state plan.

The great practical significance of Comrade Chen Yun's recent talks is that they make us clearheaded so that we can take measures to solve emerging problems. In restructuring the economic system, we must adhere to the policy of opening the door to foreign countries and invigorating the economy at home, and correct the tendency of weakening and breaking away from the planned economy. We must never allow the tendency of liberalization to run wild. Only in this way can we create conditions for consolidating the position of economic planning and further restructuring the economic system.

III. The Two Kinds of Economy Cannot Be Confused

According to the Marxist standpoint, there are two principal kinds of economy in the world today: one is the market economy built on the basis of capitalist private ownership, and the other is the planned economy built on the basis of socialist public ownership.

It is fundamentally impossible to build a planned economy on the basis of capitalist private ownership. As long as contradictions exist between the socialist nature of production and the private nature of ownership, there will be no way to solve the state of anarchy in social production. Similarly, a capitalist market economy cannot be carried out on the basis of socialist public ownership. The giving up of the planned economy will inevitably destroy socialist public ownership and ultimately result in a retrogression to capitalism.

There cannot be any confusion or uncertainty regarding this basic Marxist standpoint.

We should recognize that, as a result of the development of capitalist contradictions, the bourgeois governments have to a certain extent strengthened intervention and planned guidance over the capitalist market economy. In Japan, some people call their economy a system of economic planning based on the market economy. In West Germany, some people call their economy a social market economy, or the addition of social balancing and government intervention on the basis of the market economy. However, the intervention and guidance of the bourgeois government make no change in the capitalist ownership of the means of production. Therefore, they also cannot basically solve the state of anarchy produced by the whole society. This kind of government intervention and planned guidance are essentially different from the planned economy built on the basis of socialist public ownership.

The practice of socialist planned economy has negated the viewpoint that commodity relationships and a market do not exist in socialist economy. To a certain extent, it has taken advantage of the regulatory role of market mechanism and allowed the spontaneous production and marketing of some commodities based on the relationship of supply and demand on the market to supplement the production and supply of products not provided for in the plan. At the same time, it has made use of the law of value and the economic levers in a planned manner to regulate social production and changed unitary administrative means into the simultaneous use of administrative means and economic means. However, that part of regulation by market mechanism within a given framework of the socialist economy is a component of the socialist unified market. There is a basic distinction between the socialist market and the capitalist market.

In recent years, such formulations as "giving the same importance to the planned economy and the market economy" and "the planned economy must be built on the basis of the market economy" have also appeared in some articles published in the country. The implications of these formulations are neither distinct nor precise and can be easily confused with the bourgeois economic theory of the West and lead to ideological confusion. The articles which frankly advocate that China is not in a situation to carry out a planned economy and should carry out a market economy are basically mistaken.

IV. We Must Not Forget the Superiority of the Socialist Planned Economy, and We Must Not Attribute the Economic Losses Caused by Mistakes in Guiding Ideology and Political Turbulence to the System of a Planned Economy

The superiority of the socialist planned economy is tremendous.

1. The state has the necessary means and is able to make arrangements for the production and needs of the whole society in a unified way. This promotes the coordinated development of the economy and reduces waste and blind production.

2. When the economy is in a state of imbalance, it is possible for the state to take overall or partial measures for readjustment to restore the balance of the economy more rapidly.

However, the capitalist economy does not possess this kind of superiority. It has planned guidance and government intervention to mitigate contradictions and crises in the capitalist economy, but is unable to basically resolve them. Beneath the prosperous exterior of capitalism, numerous insurmountable contradictions are concealed. The fact that currency inflation and economic stagnation are either interwoven or coexist is an obvious example.

Over the past 30 and more years since nationwide liberation, by relying on the planned economy we have established an independent and comparatively complete industrial system and a national economic system to guarantee the basic food and clothing needs of 1 billion people. We have eliminated the gap between poor and rich, basically solved the problem of unemployment, stabilized prices on the market and maintained the independence of our country. Without a planned economic system, it would have been impossible to make these achievements. Over the past 30 years and more, several major imbalances have appeared in the national economy. However, because of the effective measures adopted to carry out planned readjustments, we have been able to gradually resolve these imbalances and to demonstrate the tremendous power of the planned economy in triumphing over difficulties.

It cannot be denied that we have suffered many setbacks in our socialist construction which resulted in serious losses to the economy. However, these losses were not caused by the implementation of the system of a planned economy. Why was the economy able to develop more harmoniously during the periods of national economic recovery and the first 5-year plan but suffered setbacks in economic development from 1958 to 1960 and after 1967? As shown by economic analysis, the most important reason was because, in our anxiety for quick results, we set overambitious targets in production and construction under the guidance of "leftist" ideas. Plans became seriously divorced from reality, and correct planning systems and methods were attacked and destroyed. The problem which appeared under the guidance of "leftist" ideas was precisely not wanting a comprehensive balance or proportionate results but just the opposite. During the past 30 years and more, the first 2 years were good, the years in between were full of ups and downs and there was not much time to really concentrate on carrying out planned construction in an earnest and conventional manner. In particular, during the 10 years of political turbulence of the "Great Cultural Revolution," there was no way of smoothly carrying out a planned economy or bringing into play the superiority of a socialist planned economy. If not for that, our achievements in construction would certainly be much better than those at present.

Why have some people lost their confidence in the planned economy? An important reason is that they have not conscientiously analyzed the root cause of the setbacks in our past economic development and have attributed the responsibility, which should not be shouldered by the planning system, to the planning system. The planned economy is a bright pearl that has been covered with dust. If the dust is removed, the planned economy will shine brightly.

V. We Must Improve the Planning System But We Cannot Carry Things So Far as To Start All Over Again

The planning system formulated after the founding of the PRC is basically correct and is in line with the demands of economic planning.

First, the main economic activities of society, including production, construction, circulation and distribution, and also the important components of cultural, educational and sanitation undertakings, are incorporated in state plans, with all departments striving toward planned and proportionate development.

Second, mandatory plans are imposed on the principal products of major enterprises, so that the state can exercise direct control over the production and distribution of important products bearing on the state's economic life and the activities of important enterprises, in order to ensure the satisfaction of the needs of the state and the people in their everyday life.

Third, carry out the principle of unified planning and split-level management allowing the centralization of big power and the dispersion of little power.

The problems and defects of the planning system are chiefly:

1. We stress the need for a plan to be complete and detailed and try to incorporate everything in it without paying attention to the necessity of regulation by market mechanism, or without allowing the spontaneous regulation of a part of production by the law of value.

2. We impose excessive and overrigid control over the planned sector, without paying attention to arousing local and departmental enthusiasm. We overlook an enterprise's proper rights, so that the development of its initiative and enthusiasm suffers.

3. We mainly rely on administrative means without paying attention to or being good at using economic means, or without using the economic levers to regulate production.

Given a low level of planning and lack of experience in controlling social mass production, the planning organs are kept so busy with the daily routine of management that they cannot take care of everything. On the other hand, enterprises are living off the state and "eating out of one big pot." Gaps between supply and demand often occur, seriously interfering with the improvement of economic results and hampering the development of the superior features of the socialist planned economy.

To deal with the above problems, in line with the principle of reforming the economic system set forth in the government work report given by Premier Zhao Ziyang at the 4th Session of the 5th NPC, our planning system calls for improvement and reform in the following respects:

First, in line with the principle of taking planned economy as the primary factor and regulation by market mechanism as the subsidiary one, we must follow the system of combining mandatory plans and guiding plans. For a number of products and enterprises, the state does not hand down plans but allows free production by enterprises, in order to make up for what is lacking in state plans.

Mandatory plans are arranged by the state in a unified manner and must be strictly observed and carried out by planning units and plan enforcement units at all levels. Plans in this category mainly refer to tasks concerning the national economy as a whole, such as planned state purchases and fixed purchase quotas, the transfer of products into or out of an area, the production, purchase, distribution and inward or outward transfer of important industrial products, the total amount of investment in fixed assets and large and medium-sized construction projects, the volume of transportation of major commodities, the total volume of import and export trade, the state's financial income and expenditure, banks' credit receipts and payments, the international balance of payments, the total number of workers in state enterprises and the total amount of their wages, the prices of important products, and so forth.

Guiding plans refer to those relatively important projects in the development of the national economy and plans formulated and handed down by people's governments at all levels which serve to guide the direction of development and which are not compulsory. Based on guiding plans, the enforcement units work out plans by combining social needs with the actual conditions of a given unit and report to the department in charge of planning as a matter of form.

Concerning the development of other economic enterprises outside plans in the above two categories, the state does not set plans or targets. Basic-level units are allowed to make their own arrangements according to social needs where the state's policies and decrees permit. This represents a sector subject to regulation by market mechanism.

Second, in line with the principle of unified planning, split-level management, and centralizing big power while dispersing little power, we must correctly define the limits of central and local plans and correctly prescribe the power assigned to people for controlling enterprise plans. Take industrial production for example.

For important and relatively important products bearing on national planning and the people's livelihood which must be purchased and distributed under central plans, the central authorities should directly set plans in the form of central instructions. For those important and relatively important products bearing on national planning and the people's livelihood which must be purchased and distributed under regional plans, plans are set by various regions in the form of regional instructions. Regions must obey unified national plans. In working out plans, departments at the central level must take regional features and proper regional rights into consideration. Based on their different roles in the national economy, enterprises must follow different management patterns, some directly under the control of the central department in charge and some under regional control. Of the kinds of products produced by enterprises, some must be produced according to mandatory state plans. Some must be mostly produced according to state plans and partly produced according to arrangements made by the enterprises themselves. Some may be partly produced according to state plans and mostly produced according to the enterprises' own arrangements. Some are to be organized by enterprises with regard to production.

Third, in light of the role of the economy of a socialist country and the objective laws of development of the socialist economy, we must adopt the method of combining administrative means with economic means. To enforce mandatory plans, we must chiefly rely on the state's administrative means to exercise management. But in formulating plans, we must take market demand into consideration and take the production costs of products and their prices into account. Guiding plans are not compulsory. The state chiefly gives guidance through economic policies, economic levers and economic regulations and resorts to administrative means as a supplement where necessary. Products regulated by market mechanism can be freely produced and exchanged where state laws and decrees permit, but the state must strengthen market control and prevent the expansion and spread of their negative role.

To effect improvements and reforms in the above three respects, we can promote what is correct in the planning system previously followed and overcome its drawbacks and defects. Of course, what is involved here is a large number of problems concerning both theory and practice that call for solution.

One school of thought holds that once plans are followed everything goes wrong and that once regulation by market mechanism is promoted everything comes to life. Those who hold this view, therefore, call for the cancellation of mandatory plans and administrative interference and the promotion of "regulation of macroeconomics by planning mechanism and regulation of microeconomics by market mechanism." This actually means that all plans must be realized through regulation by market mechanism. It seems that we can thus avoid bureaucratism, blind commands and inflexibility and that the national economy can thus be enlivened with the realization of planned and proportionate development.

Is there some sense to this viewpoint? It should be said that there is. In the past, plans were followed too rigidly. Now, they should be made more flexible. In the past, no attention was paid to giving full play to the supplementary role of regulation by market mechanism. Now, such a role should be brought into full play. But a conclusion thus drawn means that mandatory plans and administrative means should be abolished and that everything should be made dependent on regulation by market mechanism. This is wrong. Experience has proved that if we make proper use of the market mechanism as a regulatory factor, the economy can be made more active. But if we do a bad job in this respect, the economy can get in trouble. What can really enliven the economy is not the regulatory role of market mechanism but a unified state plan compatible with reality. Only by properly arranging and coordinating various proportionate relations and linking immediate development with long-term development within the framework of the whole plan for the national economy and carrying through unified national plans, can the whole national economy, given the proper regulatory role of the market mechanism, be really made to thrive. To realize unified state plans, we must combine mandatory plans with guiding plans and administrative means with economic means. If we do not do so and let all enterprises resign themselves to the action of the market mechanism, and treat the enforcement of national plans as a matter of choice, then unified national plans would be reduced to nothing but a mere formality and any talk about "regulation by macroeconomic plans" would also become just nonsense with no microeconomic activities falling into line. We must learn how to use the economic levers and especially learn how to properly handle plans for the national economy. In the past, we suffered because we did not know how to use the economic levers. But what made us suffer most was that we did not know how to handle or were not equipped to handle economic plans well. If we do not strive to raise the level of planning work and the level of economic work, the sole reliance on mandatory plans would land us in trouble and cause the economy to be dislocated or out of order. Reliance on market mechanism as a regulatory factor would also give trouble and cause the dislocation of the economy.

The proper conclusion to draw is that the fundamental principle of a planned economy must be adhered to and the planning system must be improved. We must pay attention to developing the supplementary role of regulation of market mechanism, pay attention to the proper dispersion of the power to make economic decisions, and pay attention to using economic policies, the economic levers and economic rules. We must not deviate from the principle of taking the planned economy as the main factor. Nor can we give up plans of a guiding nature. Nor can we give up centralization and unification. Nor can we give up administrative means. This is to say that while stressing planned economy as the main factor, we cannot overlook the supplementary role of regulation by market mechanism. While stressing the regulatory role of the market mechanism, we cannot weaken the role of the planned economy.

VI. Sober-Minded and Healthy Reforms

It is highly necessary to reform the economic system, including the planning system, but the reform should be sober-minded and healthy.

First, we must take correct theory as a guide. Any display of one-sidedness in a theoretical sense and any deviation from reality will naturally lead to errors and mistakes in action.

Second, we must follow a clearcut direction reform. This is to say that, as pointed out by Comrade Chen Yun, we must take the planned economy as the main factor and regulation by market mechanism as the subsidiary one, and practice big planning, small freedoms, big centralization and small dispersions. In no way can we act to the contrary, or do one thing to the neglect of another.

Third, in light of the actual conditions of our country, we must formulate perfect reform programs, work out a general scheme that takes everything into consideration, and put forth practical and feasible measures and steps. We must avoid having to stop to watch every step of the way and avoid stressing one thing to the neglect of another, and even the appearance of contradictions and clashes, in the course of implementing reform programs.

Fourth, we must proceed in a planned and orderly manner, after conducting trial point and feasibility studies. We must enable administrative work to catch up and avoid doing everything all at once.

Fifth, concerning some reforms already in progress, we must sum up experiences promptly so that the problems that have cropped up can be solved promptly and satisfactorily. We can never press forward rashly. Nor can we beat a hasty retreat once a problem crops up. This is in order to avoid the reappearance of a situation marked by chaos following relaxation and this chaos requiring a tightening up.

Sixth, before a new program has been formulated, the old ways of doing things must not be freely changed or dropped. We must adhere to the principle of destroying nothing where something new has not been created and must avoid chaos and prevent the appearance of a state of anarchy with everyone going his own way.

The leading comrades of the party Central Committee and the State Council recently again stressed the importance of summing up experiences and the importance of formulating general reform plans. By seriously doing things in this way, the reform of our economic system can surely be sober-minded, healthy and successful.

VII. Strengthen and Improve Planning Work

Persistence in taking the planned economy as the main factor and regulation by market mechanism as the subsidiary factor has imposed a more exacting demand on planning work. The present level of our planning work is extremely incompatible with this demand. Improving the planning system does not equal doing a good job of planning work. To do a good job of planning work and enable a plan to be both farsighted and practicable, there is much more work for us to do and we must exert tremendous efforts. At present, there remain many problems concerning the ideas of planning, ways of planning, the organization of plans, the training of working personnel, and so forth. Without solving these problems, we cannot improve and strengthen planning work.

In the past, many errors appeared in planning work. The planning departments were chiefly responsible for these errors. The planning departments often had a vague idea of conditions, did a very poor job in their efforts to achieve a comprehensive balance, and acted against the principle of being down to earth, acting according to capabilities, proceeding in a steady and orderly manner, and seeking practical results. Owing to errors in planning work, the development of the national economy suffered greatly. As we recall this, we feel a great sadness. That some people have no confidence in planning has to do with our failure to do planning work well in the past. But it should be noted that planning work is not bound to be a failure. The laws of economic development can be grasped. After many years of construction effort, we have accumulated a wealth of experience. So long as we insist on proceeding from the national conditions of China, respect objective laws, arouse our spirits and are down to earth, we can do planning work on the basis of continuously summing up experiences and enable the national economy to develop in a sustained and steady manner.

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ON THE PRINCIPLE OF DEMOCRACY IN THE RELATIONSHIP BETWEEN THE LEADERS AND THE MASSES

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[Article by Xiong Fu [3574 1788]]

[Text] At present the whole party is concerned about the question of rectifying party style. The CCP Central Committee has already called for a distinct improvement in party style this year. This question touches on the relationship between the leadership and the masses and also embraces the relationship between all party members and cadres in the party leadership--especially those who have assumed responsibilities and duties--and the masses. In my essay "On the Position and Role of the Party in State Affairs," I pointed out: "The question of the relationship between the party and the masses is the essence and basis of the implementation of party leadership." This essay seeks to probe further into the question of the relationship between the leadership and the masses.

To be sure, the relationship between the leadership and the masses is one between leaders and subordinates. However, under socialist conditions, and with our party in a position of power, this understanding alone is insufficient. This is because the question hinges on how we should implement the party's leadership over state affairs without turning it into direct management of state affairs. We must, in particular, prevent individual organizations and people from using leadership positions to place themselves as rulers above the masses. We should further realize that, under socialist conditions, and with the party in its position of power, the most essential content and requirement of the leadership of the party in state affairs is to organize the masses to be masters of their own future and to give them support to this end. Therefore, the relationship between the leadership and the masses should be established and developed from beginning to end according to the principle of democracy. At present, the ideological style and work style of certain comrades are not correct. On the one hand, they are used to giving orders and imposing their individual will on the masses. On the other hand, they display laxity and weakness and an inability to carry out a struggle against the various erroneous ideological tendencies and unhealthy influences. In both these respects, they have divorced themselves from the masses and have hindered the bringing into play of their socialist initiative. One of the main reasons for this is that, in their knowledge and practice, they have turned their backs on the democratic principles governing the relationship between the leadership and the masses.

I

Equality is the first democratic principle governing the relationship between the leadership and the masses. That is to say, no party member or party cadre, especially those who have assumed responsibilities and duties, is in any way superior to the masses. We must establish and develop the relationship between the leadership and the masses according to the principle of equality. This principle is decided by the nature of our country's socialist economic base and superstructure.

First, as far as economic position is concerned, leaders are equal with the masses. This is because, on the basis of the socialist public ownership of the means of production, all the people, through the various forms of ownership by the whole people and collective ownership, share equally in the right of ownership of the means of production. Nobody has any right or reason to turn public property into private property to satisfy individual desires or to claim the fruits of social labor as their own without having paid for them. CCP members and cadres who make use of party and state power for private gain violate this principle right off the bat. They have degenerated. "Rulers" who live off the backs of the masses frequently start like this.

Second, as far as political position is concerned, leaders are also equal with the masses. This is because, under the socialist economic and political systems, every citizen shares equally in the basic rights conferred by the state constitution. At the same time, he shares equally in the basic duties laid down by the state constitution. Nobody has any right or reason to enjoy civil rights without performing civil duties or to distort certain civil rights in such a way that they become unrestrained "absolute freedoms." As for CCP members and party cadres, their greatest right and duty is to have a higher degree of self-consciousness than the masses when it comes to protecting the interests of the people and sacrificing personal interests.

Third, as far as legal status is concerned, leaders are also equal with the masses. This is because our country's law was formulated by the whole body of people themselves and embodies the determination of the people to protect their own interests. Every man is equal before the law. Nobody has any right or reason to violate the law without being punished as he deserves. CCP members and party cadres are not "special citizens." They can only be models of abiding by state law. Criminal cadres who are corrupt and dishonest, speculate, offer and accept bribes, smuggle and well contraband, and who appropriate vast quantities of public property for private use, especially those who usurp important positions, must be severely punished according to law.

Fourth, as far as social status is concerned, leaders are also equal with the masses. This is because communist morality basically denies such class concepts as so-called "noble or lowly," "superior or inferior," "high-grade or low-grade" and "upper class or lower class." It only recognizes the elimination of classes, joint labor organized on the basis of eliminating classes and the social division of labor suited to this kind of labor. This is to say that it only recognizes the relationship of equality among men in this sense. Consequently, one of its basic requirements is that, in all aspects of social life, we respect the labor of everyone, respect the dignity of everyone and treat everyone as an equal. Nobody has any right or reason to consider himself a cut above the rest and to belittle others and in order to uphold his own "dignity." CCP members and party cadres also fall into the category of laboring people. No matter what office they might assume and no matter how high the office might be, they should, in the capacity of ordinary laborers, relate to the broad masses by laboring as equals.

However, not everyone has a clear understanding of this relationship of equality between the leadership and the masses. Owing to the fact that our society has only just emerged from the semifeudal, semicolonial old society, the ideology of the exploiter class and the old concept of class is still subtly eroding people's minds. This, together with the fact that the Lin Biao and Jiang Qing counterrevolutionary cliques created much confusion surrounding this question during the "Great Cultural Revolution," has caused the role of power to get to the point in some people's heads where it has been transformed into a distorted concept: apparently, power is not conferred by the people; apparently, once power is in their hands, they are a cut above the rest; apparently, the masses are the mere appendages of power. Some people, although they verbally admit that leaders and the masses are equal, in fact regard the masses as merely the negative, passive instruments of the leaders' desire. Some even abuse their power, turning power into "privilege," oppressing the masses, or harming the interests of the state, and seek to make private profits for the individual or for a small clique. Under these circumstances, how can they truly, and not merely verbally, give conscious support and protection to the principle of the masses being masters of their own future?

Indeed, under socialist conditions and with our party in a position of power, our party members and cadres, especially those who have assumed responsibilities and duties, have taken upon themselves an important responsibility in social life. Under the unified leadership of the party, they are responsible for organizing and guiding the economic, political and cultural life of the whole society, and for guiding and leading the masses in their implementation of various party and state policies, principles and plans. At first sight, this "position" seems to take them above the masses. However, this is not the nature of things.

Comrade Chen Yun said: "The role of the individual is undeniable, but a person must not overrate himself. Anyone who has divorced himself from the people and the party is incapable of doing anything. This is how a person should think." This is an extremely profound and earnest comment. From this we can correctly understand the truth about the relationship between the leadership and the masses.

Why did Chen Yun say what he did? First, where does a leader's power come from? It can only derive from the masses. The power wielded by leaders as representatives of the masses merely implies a political responsibility of serving the people and of being responsible for the people and an obligation to discharge this responsibility. On no account should they say that their position is "higher" than that of the masses. Only when the leaders use the power conferred by the masses wholly for the purpose of serving the people and of organizing and supporting the principle of the masses being masters of their own future, can this power truly embody its original essence and bring its strength into play. On the other hand, if they abandon the corresponding responsibilities and obligations, this power will degenerate into a source of disaster and will lead them, whether consciously or not, onto the path of abuse of power and crimes against the people, and they will be punished accordingly. Second, where do the leaders' correct ideology, viewpoints, plans and schemes come from? They can only come from the practical experience of the people and from relying on the practical experience of the people for replenishment and development. The collective wisdom and experience displayed by the masses in the course of their practice tower above that of anyone else. All the leaders do is to do their own work in the process of recognizing and implementing truth by "taking it from the masses and concentrating it, and then going to the masses, persevering in it, and carrying it through." Third, supposing the leaders do a bit of work and do it quite well, how should we assess this labor? First, the leaders must have done work to meet the needs of the revolution, the situation and the masses. In order for the leaders to have done this, they must have relied on the correctness of the party's line, principles and policies and on the practice of the broad masses obtained under the guidance of the correct line, principles and policies.

What conclusion can we draw from this? The conclusion that, under socialist conditions, our party members and cadres, especially those who have assumed responsibilities and duties, do not and cannot hold "positions" that place them above the masses. It is only by respecting the masses, believing in the masses, relying on the masses and treating the masses as equals, that we can fully arouse the sense of responsibility for making the masses masters of their own future and bring into play their initiative for building a new socialist life. It is precisely because of this that we say that, in handling the relationship between leaders and the masses, an important prerequisite to cementing the ties between the leaders and masses is to adhere to and implement the principle of equality.

II

Under conditions of socialism the masses are the true masters of the state and society. Our party members and cadres, especially those in positions of responsibility, are not only equal with the people in terms of position but are also the people's public servants. This view was put forth by Marx in his summary of the experiences of the Paris Commune.

Why should we compare leaders with public servants? Or to put it another way, what is the essence of Marx' comparison. The crux of the matter lies in the basic distinction between leaders under conditions of a proletarian dictatorship and rulers under all other previous exploiting systems. Rulers under exploiting systems are always the exploiters and oppressors of the masses. They ride roughshod over the interests of the masses, doing whatever they please, and cruelly oppress the ordinary people. Leaders under the dictatorship of the proletariat, however, are the people's servants. They must unconditionally serve the people, and must hold themselves responsible to the people. Firmly upholding and implementing the principle that the people should be masters of their own affairs, they must make the fundamental interests of the people the foundation of their own words and deeds.

As public servants they must first of all acknowledge the people's position as masters and must consciously place themselves in the position of the people's servants. People who equate responsibility with social status, believing that the heavier the responsibility the higher the social status, are not public servants. They take delight in issuing orders and commands and are no more than power-hungry office seekers. Leaders who use their authority for personal ends, enriching themselves at the expense of the public and embezzling large amounts of state property, should be seen as out-and-out "worms" rather than public servants. Our party's principal aim is to serve the people wholeheartedly. The true qualities of the people's public servant can only be displayed in the spirit of working selflessly, diligently and tirelessly to serve the people. This is what a line from one of Dong Biwu's poems calls "ashamed of office yet eager to serve." The older generation of our party's proletarian revolutionaries are the true practitioners of the sentiment expressed in this line. It is therefore entirely natural that they should be respected and cherished by the people. Since the 3d Plenary Session of the 11th CCP Central Committee, leading comrades of the Central Committee have improved the work style of other leading cadres and have set an example by establishing close ties with the masses. Each of us should take the older generation of proletarian revolutionaries as our model, working diligently to revive and develop the fine traditions of our party.

The most basic demand placed on the people's public servants is that they must represent the interests of the masses as a whole. When we say the masses we do not mean a single individual, several people or even a group of people. We are referring to the whole nation's masses in the broadest sense possible. Is there no need to represent minority interests? Provided that such interests are legitimate they should, of course, be represented. These legitimate minority interests, however, must satisfy the precondition of being in accord with the interests of the masses as a whole. It is incorrect to one-sidedly pursue the interests of an individual, several people or a group and to deviate from the interests of the masses as a whole. The political responsibility of the leaders should derive from the basic interests of the nation's people. They must resolutely uphold principle and do a good job of their work. They must criticize, educate and assist backward elements of the people whose views are incorrect. They should under no circumstances allow such views to go unchecked.

Leading comrades in the Central Committee have recently criticized the mistaken departmentalism of people who fail to adopt an overall view of the situation and are unable to act in the interests of the overall situation. While comrades who make this mistake may wave the banner of representing the interests of the masses, they either refuse to implement or deliberately delay carrying out the plans and decisions that were formulated by higher levels on the basis of the fundamental interests of the nation's people. There are other comrades who are clearly involved in various unhealthy practices but who can talk plausibly and at length about their activities, saying, "Anything is reasonable as long as it is for the 'collective'!" and "No expense should be spared for the good of 'all.'" Using excuses such as these, they cheat the state of goods and materials, embezzle state funds, divert profits from state enterprises, and arbitrarily issue rewards and bonuses. Does this represent the interests of the masses? It does not! It represents the backward mentality of a small segment of the masses, a mentality which seeks to fleece the state and damage the interests of the masses as a whole. It is imperative that our comrades keep a clear head and firmly uphold the principle of taking the interests of the state, the collective and the laborers into account. While we should not be insensitive to or ignore the partial and local interests of our own unit or department, it is more important that we should never damage the overall interests of the nation's people in order to satisfy the partial and local interests of a minority. While we must not turn a deaf ear to the opinions, suggestions and demands of the masses, they should be subjected to analysis and should not be accepted indiscriminately.

What conclusion can we draw from all this? The conclusion we draw is that, under conditions of socialism, our party members and cadres, especially those in positions of responsibility, must be--and can only be--the people's public servants. As public servants the basic political responsibility of leaders consists of serving the people unconditionally, holding themselves responsible to the people at all times, proceeding from both the partial and overall interests of the masses, and uniting long- and short-term interests. Only when leaders have succeeded in discharging this responsibility will they be able to earn the support of the masses or to strengthen their ties with the masses. It is for this reason that the crux of the question of intimate ties between the leaders and masses lies in upholding and implementing the principle that all words and deeds should be based on the fundamental interests of the broad masses of people.

III

Our party is the vanguard of the Chinese working class. The basic ranks of the masses are composed of the Chinese working class, their allies, and the broad masses of the Chinese people, including workers, peasants, intellectuals and all other patriotic supporters of socialism. An important aspect of the relationship between the leaders and the masses is the relationship between this vanguard and the basic ranks of the masses. Every one of our party members and cadres, especially those in positions of responsibility, must correctly understand and handle this relationship.

We must never forget one of the basic principles of Marxism, which is that the complete liberation of the people can never depend on any "spirit, emperor or savior," but must depend solely on the liberation struggle of the people themselves. The fruits of this struggle, moreover, can never be won or bestowed by any single individual, small group or political clique, no matter how outstanding certain individuals might be. This also holds true for our party. The line, principles and policies of our party will play a significant role only when they represent the highest interests of the broad masses of people, when they are both understood and supported by the masses, and when they have been converted into conscious organization and struggle for the protection of the people's own interests. The broad masses of the people should provide the foundation for the leadership of this vanguard. The vanguard must never separate itself from the basic ranks of the masses, for such separation will leave them isolated and alone, causing untold damage to the revolutionary cause. The whole history of our country's revolutionary cause has proved this to be true.

At the same time, we must not forget another of the basic principles of Marxism: the workers' movement is incapable of spontaneously creating or achieving Marxism. For this reason Marxism must be infused into the workers' movement from without. If the broad masses of people are to become more than a disorganized mass, if they are to avoid defeat and rise up to seize victory for themselves, and if they are to endure the long and tortuous path and reach their goal of final liberation, they must have their own vanguard to unite, guide and lead them in their struggle. As such a vanguard, the Chinese Communist Party has as its most fundamental political responsibility the need to imbue the Chinese masses with Marxism-Leninism-Mao Zedong Thought. Only when the masses have been armed with this advanced scientific ideological system can they be organized to form a vast and mighty revolutionary army. The vanguard is a guide and leader and must never forget for a single moment the need to carry out this most important political responsibility. Otherwise, it will be impossible to unite, lead and guide the masses to achieve victory for the revolutionary cause. The truth of this has been amply proved by the whole history of our country's revolutionary cause.

We should at this point pay close attention to an important historical experience. This is that our party's discharging of this political responsibility has never depended solely on propaganda and teaching but has also depended on the actual actions of our party members and cadres. The exemplary and leadership roles played by our party members and cadres and the fact that their actions have always matched their promises, are the clearest and most unmistakable expression of our party's nature, aims and propositions; they are also the most accurate and reliable evidence of our party's success in winning the trust and support of the broad masses of people. The broad masses of party members and cadres must soberly acknowledge that because our party is now in power our function as a model is of particularly great significance. If we should abdicate our political responsibility, be undisciplined in ideological and political work, and show ourselves to be incapable of carrying out a resolute struggle against erroneous ideology and unhealthy trends, we will certainly find ourselves cut off from the masses. If we say things only because they sound nice and are incapable of either playing a model role or of sharing the comforts and hardships of the masses we will also certainly cut ourselves off from the masses. It can be said with even greater certainty that if we embark upon the road of degeneration and corruption we will be cast aside by the people. Should any of the circumstances mentioned above ever arise, the party's reputation will suffer serious damage, and the people's trust in the party will be seriously weakened, causing great damage to the party's and the people's revolutionary cause.

As embodiments of the leadership of the party, all our party members and cadres, especially those in positions of responsibility, must be firm and clearheaded. As Marxists they must use the communist ideological system as the norm for all their words and actions and must always preserve the purity of communism. The standards we impose on the vanguard can never be allowed to drop. We should pay close attention to the fact that there has been a tendency recently among party members and cadres to allow the standards of the vanguard to drop to the level of those of the ordinary masses.

Some comrades have adopted a negative, uncaring and irresponsible attitude toward the implementation of the party's line, principles and policies. This is a spiritual state of liberalism. We are now in a period of great change and development, a period of transition from chaos to order and from poverty to wealth, and we are faced with many difficulties, contradictions and problems. Because of the multifaceted nature and complexity of objective events and the differences in people's experiences, consciousness, position and approach to questions, it is entirely normal that people should have different views on these problems, contradictions and questions, and that there should be differences of opinion. We should not be surprised by the fact that the masses occasionally complain or make cynical remarks about certain difficulties, contradictions or problems. It is the responsibility of our leaders to try and discover where shortcomings and weaknesses in our work lie and to swiftly correct them. In the case of practical difficulties which cannot be completely solved for the time being, the masses will be very understanding so long as the leaders set an example, share their hardships and offer appropriate explanations and guidance. However, there are certain comrades who do not act in this way. Faced with difficulties or contradictions, some are negative and uncaring, others refuse to accept responsibility and are content to just muddle through. There are still others who pose as "ordinary folk," and who do nothing but complain and grumble, blaming everyone but themselves for the problem.

All party members and cadres, especially those in positions of responsibility, must fully appreciate the political responsibility they have as members of the vanguard. Only when we have given full play to our exemplary role, placing progress and hardship before retreat and luxury, and fighting courageously for the good of all, will we be able to unite, guide and lead the masses. The strength, revolutionary will and revolutionary zeal of the broad masses of people, their collective wisdom and creative ability, and their enthusiasm and initiative can only find full expression and development under the unity, guidance and leadership of the vanguard. Under socialist conditions, the organization and support of the people in their struggle to be the masters of their own affairs is a concentrated expression of the flesh-and-blood ties that exist between the masses of people and the vanguard.

What conclusions can we draw from all this? Under conditions of socialism, our party members and cadres, especially those in positions of responsibility, must make full use of their exemplary role to unite, influence and guide the masses. Only if we live up to our promises, set an example and lead the way, will we be able to win the trust and support of the masses and lead the broad masses of people in their struggle to reach the lofty goal of socialist modernization. It is precisely because of this that in handling the relationship between leaders and the masses, an important prerequisite to cementing the ties between the leaders and the masses is to uphold the principle that leaders should set an example.

IV

Under the conditions of socialism, in order to enforce the party's leadership, the vast number of our party members and cadres, especially those party members and cadres who hold office, are responsible for the important task of educating the masses. We must stick to the key link of ideological education--educating the masses and doing our best to help the masses understand and accept Marxism-Leninism-Mao Zedong Thought. But, at the same time, we also have to fulfill our obligation in unremittingly receiving education from the masses of people.

Comrade Mao Zedong repeatedly reminded us of this principle. He said, "Only by learning from the masses first can we teach them in turn." Why did he say this? Because since the masses of the people are the masters and our leaders are public servants, the masters naturally have the right to supervise and examine the work of their own "public servants," to find out whether the latter have followed their will and represented their interests; since the leaders are vanguards, their function as vanguards in uniting with and leading the masses of people can only be improved, perfected and developed by constantly learning from the experiences of the collective practices of the masses of people and subjecting themselves to their supervision. The epistemology of Marxism tells us that knowledge can only come from practice; and this practice is not in the isolated activities of any individual, but the struggle carried out by the masses to transform the world and society. During this struggle, leaders can only obtain a certain one-sided knowledge from their own vantage point. Therefore, their knowledge is inevitably rather limited compared with the overall practice of the masses. In order to break through this limitation and provide correct leadership, the leaders have to subject themselves to the supervision of the masses of people. They should humbly learn from the masses, take lessons from the masses' practice, or more to the point, accept education from the masses of people.

We must understand that receiving education from the masses is of special significance in strengthening the relationship between the leadership and the masses.

First, only by holding to the stand of the people and to truth can a leader educate and lead the people. Learning from the masses and following their direction is the basis for a leader's understanding. For this reason, receiving education by the masses of people is, in a certain sense, the prerequisite for a leader to educate in turn the broad masses of people and exercise his leadership.

Second, what we have mentioned above--that we must respect the masses of people, that we must proceed in all cases from the fundamental interests of the broad masses of people, that we must set ourselves as the examples for the masses, that we must follow the direction of the masses' practice, and so on--all these things are naturally the basic requirements for being a leader. However, to fulfill or to observe these basic requirements, a leader not only needs to rely upon his self-consciousness but also to subject himself to a binding force, so as to examine himself, find out and correct at any time all his tendencies, malpractices and mistakes which go against or deviate from these basic requirements. In a word, this binding force comes from the masses' supervision or the education by them.

Third, according to the constitution and the law, the masses of people, being the masters of the state and the society, enjoy various rights under the socialist conditions. These rights include discussion, suggestion, inspection, criticism, accusation, exposition, complaint, interrogation, election, impeachment, recall, and so on. The masses of people can exercise their right of supervision of their leaders through various agents such as the people's congresses, the CPPCC, congresses of representatives of staff and workers (or peasants), federations of trade unions, peasant associations, women's federations, youth federations and other social organizations, and various channels such as newspapers, publications, broadcasting stations and so on. With such an extensive social supervision which is exercised by the whole people, and which covers all aspects of society and penetrates to all walks of life, a strong and enduring public opinion can be formed. It will play an important part in developing socialist democracy and perfecting the socialist legal system. Of course, such an education by the masses of people can by no means easily perform its function. It calls for a great deal of arduous effort. And in particular, some systems have to be reformed and some necessary decrees must be promulgated, so that those rights of the masses of people can be safeguarded, in terms of system and law, against violation.

What conclusion can we draw from this? It is that leaders must learn from the broad masses of people and place themselves under the supervision and education of the masses. Only by fully relying on the masses' supervision and education can we give better play to the masses' role of being masters of their own houses and more effectively prevent the leaders from transforming themselves from the people's servants into the people's masters. And only by so doing, can the leaders correct shortcomings and mistakes in their work as soon as they occur and better perform their political duties. It is because of this that we say that upholding the principle of the masses' supervision and education in handling the relationship between the leaders and the masses is a guarantee for bringing closer the relationship between them.

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In light of the four aspects mentioned above, we can see that, under socialist conditions, a main trend still runs through the relationship between the leaders and the masses--the broad masses of people are masters of their own houses. The principles of democracy which must be upheld in the relationship between the leaders and the masses are the principle of equality, the principle that the leaders take the fundamental interest of the masses as the standpoint and starting point of their own words and deeds, the principle that leaders set good examples for the masses, and the principle that the leaders place themselves under the supervision and education of the masses. Our country's socialist practice over the past 30 years and more has already proved that whenever we have a more explicit understanding of this question and whenever we pay more attention to this question in our actual practice, there will be development in the relationship between the leaders and the masses. It has also been proved that whenever we have a vague understanding of this question and neglect this question in our actual practice, the leaders will be isolated and divorced from the masses.

Since the 3d Plenary Session of the 11th CCP Central Committee, the Central Committee has attached great importance to protecting the masses' right to be masters of their own houses and has paid much attention to standardizing, systematizing and legalizing the democratic relations between the leaders and the masses. Consequently, the "Guiding Principles for Inner-Party Political Life" and the "Regulations on Wages and Benefits of High-Ranking Cadres" have been formulated, the party's discipline inspection commissions at all levels have been established, and the scope of direct election has been expanded, which strengthens the power of the people's congresses and their standing committees and promotes the position of the CPPCC and other mass organizations in the life of the state. At the same time, the constitution of the PRC is being revised and the draft has already been submitted for discussion to people throughout the country. Recently, the reform in the state's leadership system has been gradually pushed forward, which includes streamlining the government structure, conducting rotational training for cadres, implementing the retirement system for old cadres, promoting cadres who are in their prime of life and who have both ability and integrity to leading posts at all levels, and other important measures. All this is fundamentally integrating the flesh and blood relations between the leaders and the masses, ensuring that the broad masses of our cadres, the party's cadres and primarily the leading cadres will not be transformed, and providing a guarantee for our party's and state's unchangeable and far-reaching strategic measures. In light of all this, we see a prosperous future: there is a practical guarantee for realizing a fundamental change for the better in the party work style and a fundamental improvement in the relationship between our party's leadership and the masses.

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COMMUNISTS SHOULD NEVER 'RETIRE'

Beijing RED FLAG in Chinese No 9, 1 May 82 pp 27-28

[Article by Wang Guangmei]

[Text] It is a matter of far-reaching strategic significance to build up a contingent of revolutionary, well-educated, professionally competent and younger leading cadres.

Our veteran revolutionaries and comrades have made many important contributions to the revolutionary cause and the construction of our motherland. Today, under the new circumstances, the party and the people require us to make new contributions and fulfill the glorious task that history has entrusted to us, that is, to do a good job in handing over our work to reliable successors, to young and middle-aged comrades who truly support the party's line, policies and principles mapped out since the 3d Plenary Session of the 11th CCP Central Committee.

Either in modern or ancient times, in China or elsewhere, great leaders usually manifested their remarkable talent when they were very young. Many of our old comrades were regiment commanders, county CCP committee secretaries or leaders of worker, peasant and student movements when they were about 20. Comrade Deng Xiaoping was secretary general of the CCP Central Committee when he was only 23. Led by the party, some minority nationality comrades also did outstanding jobs for the revolution and became good leaders when they were young. Are there not talented young comrades at present? Actually, there are many among the 1 billion people. It is true that owing to the sabotage of the Lin Biao and Jiang Qing counterrevolutionary cliques, our work of training and selecting young and middle-aged cadres has been delayed. But during more than 10 years of upheaval, they were also tempered. They were brought up in the complicated circumstances and struggles and have become mature. We must make every effort to foster the growth of these young and middle-aged cadres, boldly promote them to important posts and support their work. We must pass on experiences and set an example to bring them up. I am convinced that our young cadres will certainly be worthy successors.

Relief from duty is a normal process. It is an important matter concerning the destiny and future of our country. All party members, cadres and people are showing great concern for it. So, no matter what difficulties we may encounter, we must carry out this work well. In the past, we followed a roundabout road in this respect and caused the country and people to suffer a lot. We must draw a lesson from this. Under the leadership of the party, we must continue to adhere to the mass line, select and appoint talented people and hand the power over to reliable successors.

Being prompted by a strong sense of responsibility toward the people, we joined in the revolution dozens of years ago. We all made the pledge on being admitted to the party: for the cause of communism, we will not hesitate to sacrifice our all, including our lives. Now the development of our party's cause confronts us with another severe test. It is also an opportunity for us to make new contributions to the party. I am convinced that our veteran cadres will certainly do a good job in handing over their work to the next generation and thus add a new page to the record of meritorious service compiled by the people.

In comparison with many old comrades, I am a party member of shorter standing and have made fewer contributions. But I am already 60. Like many other comrades, I was deprived of the right to work for the people during my most capable years. How we thirsted for work at that time! However, soon afterward we regained the right to work, and now that we are working energetically, we have become old and it is time for us to hand over the work. I do not think that young and middle-aged comrades could understand what we are feeling now. It is extremely painful that the law of nature has made us unable to make up for lost time. So far as bitter experiences in the "Great Cultural Revolution" are concerned, we should say that our veteran cadres are those who were most seriously harmed during that period of time and have lost the most precious time, that of their prime years. Since we have experienced such pain, we should be more willing to hand over our work to the younger generation and do our best to help them do a good job. In this way we can make up for their own losses during the 10-odd years while fulfilling our unfinished tasks to make up for the losses suffered by the party and state, and they will not suffer the pain that we suffered. This naturally requires a lofty sentiment, a broad vision and a strong sense of responsibility toward revolution.

To one who makes revolution all one's life, it is very painful to leave one's present post. What shall we do after we leave our posts? This reminds me of a past event. In 1952, Comrade Liu Shaoqi and I paid a visit to a subtropical botanical garden in Sochi in the Soviet Union. The cadre in charge of the botanical garden, who accompanied us on the visit, was an old Bolshevik. He was a retired Red Army man who had rendered outstanding service. After retirement he volunteered to work in the botanical garden. Comrade Liu Shaoqi expressed admiration for his deeds and said: "Being a revolutionary who makes revolution all this life, it is very painful to completely retire and convalesce without continuing to do anything for the revolution and without spiritual sustenance. If my physical condition and energies fail me in doing my present work, I would like to work as a teacher of party history or philosophy. If I am not able to teach, I would like to go with you to a tree farm! Then we shall work together to select seeds, raise seedlings and spread fertilizer on the soil...." Comrade Liu Shaoqi was only 54 then. But for reasons known to all, he was unable to realize his ideals.

Now the important task of handing over our work to the younger generation has fallen on our shoulders. If we really understand the importance of this strategic policy decision of the CCP Central Committee, we are sure to do the job well. There are still a lot of jobs for us to do after retirement! We can work as voluntary after-school advisers for students, do some reading and sum up our experiences, or work as tree farm workers. How nice it will be to keep ourselves busy all the time! No matter what jobs we are going to do, if we work as advisers on the second and third lines or even if we do not hold any post, we are revolutionaries and workers at all times. It is our lifelong task to "select seeds, grow seedlings... and take an active interest in the growth of trees." We must fight for the cause of communism as long as we have a breath. Communists should never "retire"!

The present situation is good. But there are still many difficulties, and our conditions are very complicated. The greatest disaster the Lin Biao and Jiang Qing counterrevolutionary cliques brought to us is disrupting our unity, the unity between the party and the masses, between the cadres and the masses and between the army and the people, as well as the unity of the cadres, the unity of the masses and the unity of all nationalities. Therefore, we must strengthen our unity under the leadership of the CCP Central Committee and overcome all difficulties step by step to make our socialist motherland a powerful and prosperous country so that the great cause pioneered by the revolutionaries of the older generation can be carried on from generation to generation, and the hard-won great achievements of countless revolutionary martyrs and fighters can be passed on to posterity!

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THE USE AND PROSPECTS OF STRUCTURAL CHEMISTRY

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[Article by Lu Jiaxi [4151 0857 6932]]

[Text] Synopsis: This article expounds on the history, scientific features and prospects of structural chemistry and points out that this science plays an important role in our modernization program and that it can provide a theoretical basis for seeking new materials, new technology and new processes in promoting the development of industrial and agricultural production as well as national defense construction; it also puts forth some views about the guiding principles in developing sciences.

The task of structural chemistry is to study, at the level of atoms and molecules, the mutual relationship between the microscopic structure (including the forms of combination, space structure and the mode of electron movement) and the macroscopic structure of chemical substances. Structural chemistry is an important specialized branch of modern science. This article is intended to probe into the guiding principles for the development of structural chemistry in our country from the three aspects of recalling the history of structural chemistry, expounding on the role of structural chemistry in the development and production of chemistry, and expounding on the prospects of structural chemistry.

I. Brief History of Structural Chemistry

Mankind is in a position to make use of and transform the substances that exist in nature and produce new products with many different features to meet the needs of social production and livelihood and the development of scientific technology. In this process, chemistry has emerged and developed. Europe began to enter the era of bourgeois revolution in the 17th century. Because of the needs for the development of capitalist production, chemistry has like other sciences accumulated very rich experimental materials. On this basis and through protracted and repeated discussions, various theories have been put forth one after another. Among these theories are the theory of element by R. Boyle, atomic and molecular theory by J. Dalton and A. Ayogadro and the periodic law of element by D. E. Mendelev, and these theories have correctly answered the questions about the smallest particles of chemical substances and their composition. These achievements show us that all chemical substances are composed of atoms of known elements that cannot be separated again by any chemical reaction. When atoms are being formed into substances, eventually there exist the unity and coherence of one "molecule"; in addition, there also exists a certain coordinated relationship among the atoms of a molecule while a chemical reaction is nothing more than a movement process in which a new combination of atoms of the original molecule or several molecules is brought about or a new formation of one or more molecules results. Basically speaking, many products needed by mankind can be obtained through chemical changes by making use of natural and artificial raw materials. Thus, with such a viewpoint, people have been able to correctly explain many chemical changes, systematically sum up a large amount of chemical reference materials that have been accumulated in the past and, as a result, chemistry has become an independent science that has been able to display its important guiding role in the chemical industry and in the production of materials.

The above-mentioned theories successfully solved the problems of the composition of chemical substances. But certain properties of substances are determined not only by their composition but also by their inner structures. People noticed long ago that in nature there exists the three distinctive physical substances of diamonds, graphites and amorphous carbons, and yet these three are made up of simple structural carbon that is composed of carbon atoms. In the mid-19th century, examples of such isomeric molecules emerged one after another in the process of studying chemical compounds and particularly organic substances. As the conditions for experiments were still limited at that time, the method of analytic reasoning was used to determine the possible existence of chemical structural forms (including different fixed stereo structural forms) and explain all objective phenomena of isomerisms. In 1861, A. M. Butlerov definitely put forth the theory of molecular structure. He pointed out that the chemical properties of a substance are determined by the chemical structure of this substance and that by studying chemical properties it is possible to determine chemical structure; conversely, chemical properties can be predicted on the basis of understanding chemical structure. In 1857, F. A. Kekule pointed out that carbon has four valences while carbon atoms may be combined with other carbon atoms to form carbon chains; in 1865, he put forth the concept of the annular structure of benzene. In 1874, J. H. van't Hoff and J. A. le Bel respectively put forth the theory that the four valences and bonds point in the direction of the top of a square, and as a result they successfully explained the phenomenon of optical rotational isomerism of some organisms. Thus, based on such concepts, the classical theory of the structure of organic chemistry was established, and this theory has played an important role in the development of organic chemistry and the organic chemical industry. In 1893, A. Werner put forth the theory of the coordination of the complex compound of metal elements, and he expounded his views on the chemical structures of inorganic complex compounds and on the stereo isomerism of such compounds to promote the development of complex compound chemistry.

But it was not until early in this century that modern physics discovered that atoms are composed of atomic molecules and electrons, and only following the emergence of the theories of the atom and the molecule was it possible that this development could directly be used as an experimental basis and theoretical method in studying the microscopic structure of chemical substances. On the one hand, progress has been made in physical experimental technology and on the basis of different effects of the interaction between substances and detecting measures such as light, electricity and magnetism, many experimental measures have been adopted for determining molecular structure and for providing data on understanding electron movements, and all these have provided good conditions for studying molecular structure and the relationship between structure and property. On the other hand, the theory of quantum physics, which emerged in the 1920's, can be used to probe into the law of the movement of microscopic particles. Starting with the most simple structure of hydrogen molecules, quantum physics has been successfully used in explaining the law of the movement of electrons within molecules and the nature of the chemical activity of combinating atoms into molecules that represents chemical bonds. Consequently, there has emerged quantum chemistry that serves as a powerful theory for the study of various properties that depend on the law of atomic movement. Following decades of hard work, various basic problems such as how to combine the power of various different types of atomic substructures such as valences and bonds, ionic bonds and metallic bonds and the experimental results of applied force on molecules have been incorrectly expounded to a great extent. As a result, the various theories of quantum chemistry such as the theory of valence and bond, the theory of molecular tracks and the theory of coordination ground have been established and developed. Experimental technology and theoretical method affect and promote each other, and this situation has resulted in modern structural chemistry developing into a new stage.

II. The Role of Structural Chemistry in Chemical Development and Production

The establishment and development of structural chemistry has played a big promoting and guiding role in expanding the structural features of chemical substances and their relationships with properties, in promoting the development of chemical sciences and in effectively probing into new ways for synthesizing new products with particular properties. There are countless examples in this aspect.

Following the establishment of the theory of benzene annular structure, aromatic organic chemistry has made tremendous development since the 1860's. Aromatic organic chemistry has played a guiding role in comprehensively using coal tar and in producing various dyestuffs, drugs, essences and explosives.

The three prevalent molecular industries of plastics, synthetic fiber and synthetic rubber have a close relationship with people's livelihood, industrial and agricultural production, and the national defense industry. Due to achievements in the study of the mutual relationship between complex molecular structures and their properties, the complex molecular industry has been developing vigorously. For example, it was pointed out as early as in the 1920's that natural rubber and natural fibers are not simple annular polymers but complex chain polymers. People have correctly understood that the requirement for natural rubber complex polymer is very strict, and as a result there emerged a concept of stereoregular polymer that made it possible to produce "synthetic rubber."

Since the beginning of this century, the use of such experimenting methods as X-ray diffraction technology has resulted in defining a great number of inorganic ionic compounds, including structural statistics of many series of natural ore crystals. From this development, L. Pauling summed up the principles of ionic compounds to successfully explain the relationship between the chemical composition of silicate and its structure. In addition, we also know that new technical crystalline materials constitute an important material condition for developing many sophisticated technologies. It would not have been successful in seeking working substances (most are inorganic compound crystals) such as laser and electric light if there were no rich statistics about the structure of inorganic crystals.

Under the theoretical guidance of the structure of organic chemistry and by using chemical methods and X-ray diffraction technology or a combination of these two, the molecular structures of many complicated natural organisms and antibiotic drugs (such as penicillin and aureomycin) have been delineated. This achievement has not only provided pharmacologists with a technical foundation for atomic-molecular level in expanding pharmacology but has also formed a reliable base for synthesizing such drugs to expand medical resources. Herbal medicine is a valuable heritage of the medical sciences of our country. Over the past few years, our structural chemical workers have studied and analyzed how to extract information on chemical structure and space structure for Chinese herbal medicines. The research articles on this study show the mutual relationship between structural features and pharmacology. For example, the defining of an effective antimalaria drug essence of artemisia apiacea and the three kinds of crystalline structures of its derivatives prove that the effectiveness of the drug is related only to two kinds of peroxide radicals and some other particular structures. Work is being done to determine the crystal structure of the protein base of the roots of Chinese trichosanthes. Initial achievements in this study have drawn the attention of foreign countries. Clinical tests prove that the roots are highly effective in gestation during the midpregnancy period, and it can also be used in treating such diseases as ectopic pregnancy and vesicular moles. It can be predicted that as long as we are able to work hard and accumulate experiences and to closely cooperate with pharmacologists, the ancient Chinese herbal medicinal treasure of our country will no doubt make great contributions to the medical and health cause of our country and the health of our people.

The research which has led to the successful synthesizing of some new structural compounds has not only pointed out the way for the further development of structural chemistry but will also be able to meet needs in the development of scientific technology. For example, in the 1950's, W. N. Lipscomb correctly expounded the "three central bonds" of the borichydrogen compound to make outstanding contributions to the development of this compound. A complex borichydrogen compound that can be used as a highly efficient fuel has at last been synthesized.

The role of quantum chemistry is very apparent in explaining those properties that are related with the law of electron movement within molecules as well as in synthesizing new compounds. N. Bartlett investigated chemical bonds and their function, and in 1962 he successfully synthesized the first historically significant "inert element compound"--the fluoride platinum acid, xenon, which shattered the longstanding view that inert elements could not produce chemical compounds and consequently he opened up a new area of study known as "inert element chemistry."

The molecular structure of vitamin B-12 is very complex because it has 512 possible isomerisms. In the process of synthesizing B-12, R. B. Woodward resorted to his rich practical experience that he had accumulated in the process of synthesizing complex compounds such as bioalkali. In synthesizing such compounds he summed up the reasons for his failures, found out the mechanism for achieving such a reaction, and effectively controlled the stereo structure of substances during the reaction. Consequently, he synthesized the vitamin. During this process, he also had some ideas about the symmetry conservation of molecular tracks. Later, R. M. Hoffmann carried out analysis and study on the basis of quantum chemical theory, and consequently he put forth the famous Woodward-Hoffmann symmetry conservation law of molecular tracks. As a result, quantum chemistry moved into the study of chemical reaction. The symmetry conservation law of molecular tracks has displayed and will continue to display its important role in studying stereo regular reaction and in synthesizing complex compounds such as bioalkali and drugs.

Biology made no progress for quite a long period in the past, and it remained at a level of carrying out submacroscopic studies with the use of microscopes. Following the research on carbohydrates, proteins and nucleic acids and particularly over the past two to three decades, the introduction of X-ray diffraction in coordination with the chemical method has made it possible to directly determine the molecular space structure of cells and consequently there has emerged molecular biology and quantum biology. For example, the structure of more than 20 kinds of major amino acids (the basic units of protein) and nearly 10 kinds of simple peptide bonds (composed of several amino acids) was determined early this century. On this basis, L. Pauling and R. B. Corey put forth two basic principles about the structure of amino peptide bonds. Using these two principles, L. Pauling pointed out in 1950 that protein has two kinds of helix structures: the alpha helix structure and the beta helix structure. It was proven later that the alpha helix structure is an important form of the second-grade structure of protein. Then, J. D. Watson and F. H. C. Crick developed the model of double spiral structure of deoxyribonucleic acid (DNA), which is the important genetic material base, and this achievement has played an important role in molecular genetics. The activities of analyzing the crystalline structure of protein that began with whale muscle red protein [jing ji hong danbai 7650 5133 4767 5751 4101] and horse blood red protein [ma xue hong danbai 7456 5877 4767 5751 4101] are still very active today. In 1965, our scientific workers succeeded in completely synthesizing bovine insulin with the chemical method. It was the first time that this method was used in producing artificial bovine insulin. Recently, they have synthesized ferment ammonia acid-turned-ribonucleic acid that is able to catalyze the biological activity of propionic ammonia acid and this achievement showed that our country continues to be in the forefront in this field. We have also made brilliant achievements in determining the structure of swine insulin. The accumulation of all this synthesizing work as well as the work in determining structure have provided a foundation for studying, on the basis of the atomic-molecular level, such phenomena as muscular contractions, nerves, photosynthesis and genetics.

Nitride is a very important raw material for such products as nitrogen fertilizer and explosives that are very important for industry, agriculture and national defense. But the nitrogen that abundantly exists in the atmosphere is far from active and, at present, it is only under the condition of high temperature and high pressure that it can be fixed and turned into chemical compounds which can be used. Interestingly enough, there exist in nature some microbes such as the root nodule bacteria of leguminous plants that can achieve nitrogen fixation under normal temperature and pressure. Following the synthesization of the first molecular nitrogen complex compound under normal temperature and pressure in 1965, there appeared a worldwide fervor for studying nitrogen fixation through chemical simulation biology to open up a new frontier for science--chemical bionics. Since 1971, our country has organized the scientific strength from various sectors to carry out enormous work from different angles. According to theoretical study and deductive reasoning, we have put forth a series of views that complement each other about necessary structural conditions for the center of activity of nitrogen-fixing ferment as the biological catalyst for nitrogen fixation. Proceeding from complex compound structural chemistry of large metal atomic clusters and from the angle of catalyst, we analyzed the active conditions for the complex composition of nitrogen molecules. In 1973 and 1978 we put forth the "string bag" structural models--"Fuzhou model I" of molybdenum-iron-sulphur atomic cluster of the center of activity of the fermentation catalyst for fixing nitrogen, and these two "string bags" were formed back to back into the twin combination of "Fuzhou model II"--and analyzed various forms of the possible complex composition of applied substratum. At the same time, other scholars in our country proceeded from different viewpoints and put forth structural models of the similar active center of nitrogen-fixing fermentation. We also carried out activities to determine the stimuli of the above-mentioned models and the composition and structure of the related complex compounds of atomic clusters and to carry out experiments on acetylene, nitrogen and other applied substratum. We have made encouraging achievements in this aspect and we introduced them at international academic symposiums on nitrogen fixation over the past few years. Foreign scientists held that our scientists were forward looking when they were the first to put forth the view that the active center of nitrogen-fixing ferment has an atomic clustered structure. At present, a series of the results of this study have convinced scientists that there is a definite requirement for atomic clustered "string bag" in nitrogen fixation.

Since the establishment of the Nobel Prize in 1901, the prizes have been given to 98 chemists on 73 occasions, with an exception of 8 years because of certain reasons, of these, on 20 occasions to 28 chemists who made great contributions in structural chemistry. Some chemists have won the prizes in physics and biology. The former recipients included W. H. Bragg and his son W. L. Bragg who both made important contributions in introducing and developing the analytical method of the crystal line structural X-ray diffraction while among the latter were J. D. Watson and F. H. C. Crick, who introduced DNA double helix. Therefore, it can be seen that structural chemistry is becoming increasingly important in drawing more and more attention on the part of scientific and technical circles.

III. The Prospects of Modern Structural Chemistry

The continuous development of modern physics (both in experiments and theory) and the timely use of newly emerging technology (computer technology and laser technology) have constantly provided new tools and new methods for the study of structural chemistry and enabled the handling of the recording and testing statistics of messages to become more and more automatic and higher and higher in speed and consequently, it is possible to make accurate determination and calculation of the crystal structure, molecular structure, molecular energy level and the distribution of the electron cloud that are becoming more and more complicated. For example, one to two decades ago people began to study the dynamic structure of the process of reaction and the microregional structure of the surface of solid substance; new development has been made in this study and it is expected that important progress will be made in the near future. Modern structural chemistry has developed into a new stage; it can systematically and precisely prove and grasp the methods and laws of atoms and atomic radicals in becoming chemical substances and of changes of inductive chemistry. Modern structural chemistry is also in a position, through such laws, to understand and determine the nature and properties of the dynamic and static state of substances. Structural chemistry is developing the whole of chemical science from classic and fixed sciences into modern and quantum sciences. The study of the interdependence and mutual conditioning between the properties of chemical structures and chemical reactions of classical chemistry has already developed into the research topic of exploring the mutual relationships between the "nonchemical" properties and the properties of microscopic structures and macroscopic chemistry of modern chemistry. Consequently, in the trend of its development, modern chemistry has the following features of developing from macroscopic to microscopic, from description to reasoning, from the air and crystal phase to the amorphous phase, liquid phase and liquid-crystal phase, from the body phase to the surface phase, from the properties of chemical reaction to various nonchemical properties, from the static state to the dynamic state, from constant proportion to inconstant proportion, and from stable to substable and even unstable. Chemistry has also developed into a new stage in breadth and depth. On the other hand, structural chemistry, solid state physics, material science, biology and pharmacology permeate each other and are intertwined, and these situations have promoted the development of these sciences. More and more branches of borderline science such as molecular biology, chemical bionics and molecular design have been applied or are emerging and all these sciences have bright prospects.

In order to develop structural chemistry in our country, it is imperative to grasp well the features of this chemistry which is a basic science, to grasp the trend of its development and to resort to correct guiding principles. Of course, by solely studying and determining structure and without studying and developing synthesis means that we are setting up a retail department of structural analysis and consequently we will not be able to develop structural chemistry; if we study microscopic properties (chemical or nonchemical), then the basic study of microscopic structure would depart from the production and science of the macroscopic realm; if we merely study the mutual relationship between structure and property and neglect the molecular design of materials and reaction, we will remain in the stage of just understanding the objective world. This means that we are not working to change the objective world, and consequently we will not be able to realize the basic tasks of chemical science. We must understand the trend in the development of structural chemistry, and at the same time we must acquaint ourselves with the needs of our country in the near future and the features of our resources, strengthen weak links, fill in gaps, select major topics of study through which major developments or breakthroughs can be made by the end of this century, establish and develop modern study methods, closely combine and promote the study of structural and property synthesis and determination, and work hard to reach the great goal in which our structural chemistry enters the world's advanced level so as to make our contribution to the modernization program of our country.

Science is a productive force, but it is not a common and direct productive force; rather, it is an indirect productive force. Through science we will be able to bring happiness to the coming generations of our country as well as to the people throughout the world, to strengthen the competitiveness of our motherland in international affairs and step up our strength in defense of world peace. As a basic science, structural chemistry has developed and gradually matured through gradual accumulation and through the process of exchanges of experiences and contention among various academic branches. Therefore, we cannot demand that each subject of study must directly display its role in production. We must understand that when conditions are ripe and when the works of basic study make an important breakthrough, our study will certainly bring great basic changes to chemistry and to the related production departments. But it must be pointed out that we must not therefore neglect the use of the achievements we have made in structural chemistry so that we will be able to solve urgent problems in both national economic construction and the construction of national defense. Premier Zhao Ziyang pointed out in his report to the 4th Plenary Session of the 5th NPC: "There are many branches of science and technology and they must serve various aspects. We can in no way weaken basic study. But the main purpose in the development of all science and technology is to serve economic construction and particularly to solve the key problems with major economic effects in the national economy. Our present task is to display still better the role of science and technology so that they will become a powerful productive force and a tremendous strength for developing the economy." In fact, the existing theories and knowledge of structural chemistry in the broad industrial and agricultural sectors that are closely related to chemistry have already provided theoretical guidance in seeking new materials, new technologies and new processes and have already promoted production. Structural chemistry develops in the process of promoting the national economy and consequently it will display still more powerful strength. It is also wrong to neglect this point.

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GO AMONG THE MASSES!

Beijing RED FLAG in Chinese No 9, 1 May 82 pp 34-35, 28

[Article by Ding Ling [0002 3781]]

[Text] Over the past few years, culture and art work has substantially flourished and developed, but there are still problems which were left over or newly emerged which call for solutions through discussions and studies by bringing the problems out into the open and having frank and sincere exchanges of views. Such discussion meetings have been held on numerous occasions with the participation of leading comrades who delivered speeches at them, and these meetings have produced positive results. However, quite a few problems still exist in the minds of literary and art workers. In the new situation, some literary and art departments and individual literary and art workers still have an abnormal understanding or sentiments when approaching some problems and have failed to completely manage to approach problems in the manner of being selfless and fearless, matching words with deeds, and thinking and acting one and the same way as a communist or a writer who has a sense of justice. As for party-member writers, they should take this matter into account, and now particularly since the forum on the problems on the ideological front has been held, they must not remain aloof and indifferent to this situation. Over the last 3 years, on various matters I have written articles, made some remarks, stated my opinions and made statements of my position. This year is the 40th anniversary of the publication of Comrade Mao Zedong's "Talks at the Yanan Forum on Literature and Art." After pondering, the words which I can use to advise my fellow writers and to spur myself on are still: To continue to go among the masses. This means that when the numerous problems are put to the masses, we can find good solutions to them by going among the masses to "observe and learn from real life and be engaged in creation." A writer, no matter on what subjects he writes, whether on history, mountains and waters, people, struggles or on love affairs, invariably reflects his own ideas and his own view of life, society and the accepted modes of human conduct. It is impossible for a writer to write on those things for which he has neither love nor hate and for which he has no feelings. If he forces himself to do so, what he writes will not be profound, vivid or moving. Therefore, before a writer produces a work, he must have rich raw material gathered from life, some training in writing techniques and what is more important, he must have the necessary ideological level to analyze society and interpret life. These three aspects of self-cultivation are not isolated and contradictory and also cannot be acquired by stages. The three aspects of self-cultivation must be linked, each complementing the other; must be carried out simultaneously, gradually improved, gradually deepened and gradually purified until they are merged into one. Only then can we reach the realm of real emancipation in ideology and freedom in creation; can we write works which suit the needs of the broad masses, and can our creations become works of art which will raise the people's moral character and develop the social spiritual civilization and can we be free from the fear of making a mistake or being criticized.

Like other theories and policies, our literary and art theories and policies are all summed up and refined from the social life and struggle of the masses. If we divorce ourselves from the masses and lack a practical understanding of the people's life, we will be unable to profoundly understand why such theories and policies are needed. At the same time, it is only through the social practice of the masses that we can test our theories and determine whether our policies are correct. If theories and policies are repeatedly examined in studies and forums, the historians and philosophers with practical experience may possibly make new discoveries and create new works. However, if writers who create works of art and write living history do not personally go into and experience as well as observe and learn from the lives of the masses, they will be unable to produce works which present realistic characters, plots, stories, and human mental activities, and relationships between man and man, the good and the bad, as well as the beautiful and the ugly in people's lives. Even if we can recite from memory many clauses and technical terms in words and in terms in the most effusive way, appearing erudite and recondite, in fact we are no more than a phonograph or a duplicator. The principles you want to write about are already known to all and your work merely echoes others' views, thus there is lack of originality in your writing. A writer must carry out creative work on the basis of the lives of the masses rather than repeat principles in books. So is the case of literary and art theoreticians. Instead of merely presenting a verbatim transcript of newspaper editorials and invariably copying the speeches of leading comrades or the talks of others, we must go all out in discovering and developing our writings in regard to the concrete problems in actual life. Otherwise, it would be sufficient for readers to simply read newspapers. Is it worth the trouble to reread shallow, dull and fragmentary articles?

Only when we have an understanding of and a thorough knowledge and grasp of theories and policies, can we truly make them ours; can we have keen insight; can we find out about problems at all times and anywhere in the kaleidoscope of life; can we dare to think independently; can we not wait to see which way the wind blows, not to equivocate and not to vacillate; and can we make a contribution and discharge our responsibility. But how can we grasp thoroughly theories and policies? So long as we bring what we read from books and what we learn from speeches to life and fight, engage in construction, experience all kinds of contradictions and find solutions to the contradictions together with the masses, we can then push society forward. With our practical experiences among the masses, we may then turn around to ruminate and digest the theories. A man with experience and a man without experience simultaneously study theories and what they learned from them varies greatly. The former manages to understand the theories with a little direction while the latter will not understand the theories even if he is given some direction. Conversely, a man with correct theories and a man without theories go into real life and what they learn from life is also substantially different. The former can find out, in life, myriads of precious deposits which are too dazzling in color and beautiful to be absorbed all at once that he can pick and choose a small part of them to write a good work. Having been drawn into the ocean of life, the latter can see nothing and find nothing attractive and touching that will arouse his interest, and thus for him to be able to create is out of the question. Even if he sees odd bits in life, he can only enumerate the events rather than grasp the principal problems. Having no strong zeal for life will spoil source material. Some people regard this state of affairs as the difference between having talent or not. In my opinion, there is in fact a lack of self-cultivation of politics and theories. If he does not have this key--politics--in his mind (please do not vulgarize politics as the stratagems of politicians or as a synonym for a political stick), there will be no ideological content. This is like having no soul. Such being the case, a writer will find it hard to know his own mind; either he will not dare to write or, basing himself on his personal thoughts and feelings which have not yet been sorted out, he will write in an unlimitedly free manner and at great length. This will most likely lead to some errors (those who always have blind faith in Westernization, like vulgar things and try to depart from the socialist political orbit must be, of course, classified separately). Naturally, it is not a serious matter to make some mistakes. So long as we draw a lesson from them, go deep into real life again, do some penetrating thinking and continue to temper ourselves, we will still be able to write good works.

What I have attempted to show is that a writer must be diligent in practicing his craft and, what is more, must temper himself. He must put himself among the broad masses and get in touch with people of all walks of life; through the exchange of feelings between man and man, he must adapt advanced political ideology to his outlook. A writer is a creator, who produces images and describes feelings but at the same time he is also a politician. He must dissolve politics into images and feelings which he describes with high-level political zeal so that the readers will see it as only literature. Thus, this attractive and exquisite literature will play a political role.

It is not easy for a writer to do so. It is not an easy job for a writer to produce works which are full of fervor and extremely touching on the one hand and mirror the spirit of our time on the other hand, but it is attainable. Many writers have managed to do so or almost managed to do so. Writers must always encourage one another to get rid of selfishness. They must seek neither fame nor gain and neither position nor power and influence; must be free from prejudice and factionalism and be honest and upright; must not be controlled by their personal emotions and must have a breadth of vision. It is necessary to loyally treat the people's cause and to be diligent and conscientious, indefatigable and not to be at all self-satisfied, and it is necessary to start with this basis to make steady progress and find pleasure in so doing. To accomplish this, it is naturally necessary to go among the masses and breathe, share weal and woe, fight and advance together with the people.

My suggestions are few and not new. While celebrating the 40th anniversary of the "Talks at the Yanan Forum on Literature and Art," I would like to offer them with full respect to my fellow writers and young friends. I will learn from those who are in the same profession as I and who have more profound ideas and have created better works and have achieved greater successes than I. In the impressions of the postscript of "A Scene of Northern Shaanxi," published in 1950, I wrote:

"I experienced a lot of self-induced pain in northern Shaanxi before I began to know, squarely face, correct and remold myself. This experience cannot be explained in a few simple words. But ultimately it brought me the greatest pleasure. I feel that it is not easy for me to travel the road which I have taken; to go from being ignorant to being more sensible, from being somewhat perceptual to rational, from being unstable to being stable, from being weak to being staunch and from being remorseful to being relaxed.... I think that anyone who has taken a similar road will realize that this road is both rugged and smooth. However, each of us progresses in this way.

"Some people were born revolutionaries; some are revolutionaries who leap at one stroke from a backward state to an advanced one; others have never made any mistakes. These fortunate few are admired by all. However, I am still willing to march on my two legs step by step to the place where I will really become useful to some extent and really become a man without thought of self, a man who has really acquired some knowledge and truth...."

Instead of complaining about being decrepit and slow-witted, I am now willing to continue to forge ahead step by step along with the large contingent of marchers. However, having undergone a trudge of 30 years from the 1950's to 1980's, I feel happy rather than regretful. I will march step by step behind the young people cheerfully and unremittingly.

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INCREASE CONSCIOUSNESS IN STUDYING THEORY

Beijing RED FLAG in Chinese No 9, 1 May 82 pp 36-39

[Article by Ru Zhi [1172 4249]]

[Text] Marxism-Leninism-Mao Zedong Thought is a revolutionary scientific theory. The laws governing social development which it brought to light and its world outlook and methodology are our guide in action. Our party is united on the basis of this theory, and the victories in the cause of our revolution and construction were achieved under its guidance. At present, many new conditions and new problems which arose in the course of our modernization program call for scientific explanation and correct guidance. The practice of the new historical stage has once again put the study and research of revolutionary theories in an extremely important position. To keep abreast of the current situation, all of our cadres must increase their consciousness and study hard Marxism-Leninism-Mao Zedong Thought.

Recalling the history of the Chinese revolution, it can be very clearly seen that whether there is correct theoretical guidance and whether the cadres of the whole party study and apply Marxism-Leninism well concern the success or failure of the cause of revolution and construction. In modern Chinese history, the dissemination of Marxism-Leninism into China was an epoch-making turning point. Prior to this, in order to save the country and nation from the danger of elimination, the Chinese people and its advanced elements waged repeated heroic struggles, but through all of them they failed to find the correct road for liberation and every struggle ended in failure. Things were significantly different after Marxism-Leninism reached China. The Chinese advanced elements warmly welcomed this theory, enthusiastically studied and disseminated it and integrated it with the rising workers' movement. As a result, the great CCP came into being and a great revolution on a grand and spectacular scale was waged. Thousands upon thousands of revolutionaries saw the dawn of a new era and absorbed incomparable confidence and power from this revolutionary theory, and with this the Chinese revolution took on a totally new aspect.

The period from the Zunyi conference to the Yanan rectification movement was another great turning point in the history of the Chinese revolution. Prior to this, the CCP had led the people in accordance with

Marxism-Leninism in waging more than 10 years of struggles and had traversed a zigzag road. During this period, the revolution suffered failures and setbacks many times, but this precisely showed the importance of truly mastering and correctly applying revolutionary theory rather than proving that Marxism-Leninism did not work or was not important. Just as Comrade Liu Shaoqi said, these failures resulted from the infancy of and mistakes in the theoretical guidance rather than failures in ordinary work. The practice of the revolution required us to integrate Marxism-Leninism with the reality of China, and in the light of the characteristics of Chinese society to find a correct road for the Chinese revolution and to seek creation and development in theory. The Chinese communists headed by Comrade Mao Zedong solved this problem in their long years of plain living and hard struggle. In this way the great Mao Zedong Thought came into being. This scientific theory with Chinese characteristics became mature at the stage of the Yanan rectification movement and was widely popularized. The cadres of the whole party studied this theory with immense zeal and a scientific approach, acquired a fundamental understanding of the correct path for the Chinese revolution and the principles and policies that should be adopted, and thus substantially raised their own level of Marxism-Leninism. This brought about an incalculable force propelling the revolution forward, ensured the smooth course of struggle and, resulted in successive victories in the war of resistance against Japan, the war of people's liberation and the birth of the PRC. As the saying goes, the founding of new China was the victory of Marxism-Leninism-Mao Zedong Thought. This is a very real truth.

Victory in the new democratic revolution vividly displayed, with facts universally acknowledged, the unparalleled power of Marxism-Leninism. This state of affairs caused the most intense attention to be paid to theory by people throughout the nation.

In the early 1950's, there emerged an upsurge of studying revolutionary theory among the broad masses of cadres, youths and intellectuals. This was when there was a wide popularization of Marxism-Leninism-Mao Zedong Thought throughout the country. The fact that large numbers of cadres and masses mastered revolutionary theories greatly promoted the smooth development of the various types of work at that time.

After the serious setbacks suffered in the "Great Cultural Revolution," the 3d Plenary Session of the 11th CCP Central Committee began another great turning point, which similarly shows the importance of theoretical guidance. "Leftist" mistakes committed in the past, and especially the mistake of the "Great Cultural Revolution," were primarily the result of mistakes made in theoretical guidance. Therefore, the historical turning point, which was manifested by the 3d Plenary Session of the 11th CCP Central Committee, had to make the bringing of order out of chaos in theory a prerequisite. By stressing practice as the only criterion for testing truth, we precisely mean to discard the sort of "leftist" theories which have been proved to be erroneous, to reaffirm the principle of uniting the universal truth of Marxism-Leninism with China's reality, and to open up a path for developing the party's correct theory in new practice rather than to negate or ignore the role of theory.

Of course, correctly and satisfactorily providing answers to the various problems which lie ahead of us in the new historical stage will be an arduous process. In this process, the explorative deeds of those who blaze a new trail will be inevitably mingled with the perplexity of those who waver, and there will be a small number of people who show indifference toward theory. It will be difficult to completely avoid this state of affairs. The key lies in the fact that our party's ranks and particularly the vast numbers of cadres must work hard to increase consciousness in studying theory. It must be noted that only Marxism-Leninism-Mao Zedong Thought can help us attain a clear understanding of the orientation and path of socialist construction and be full of confidence in our cause; can help us acquire the correct stand, standpoint and method, correctly understand and implement the party's principles and policies and carefully and skillfully handle various problems; can help us effectively educate and mobilize the masses, unite the revolutionary ranks and bring every positive factor into play; can help us, communists and state functionaries, preserve the purity of communism and resist the corrosive influence of the ideology of the bourgeoisie and other exploiting classes. In brief, only if there is a study of theory can our cadres become firm and sober-minded Marxists who can accomplish things. Moreover, having large batches of such cadres is an important condition for enhancing the fighting capacity of the party and for leading the broad masses in triumphant advance. Today large numbers of middle-aged and young cadres are assuming the leading posts at various levels to shoulder various important tasks and to fill the posts of veteran cadres. It is of even more urgent significance to strengthen theoretical study by the middle-aged and young cadres and urge them to manage to master Marxist-Leninist theories in a relatively systematic and practical manner.

At present, many cadres have, through practice, realized the importance of theory. They have immense zeal and enthusiasm for studying theory. However, some cadres attach insufficient importance to theory and hold that whether we study theory is of no importance and even regard that which has been learned as of no use. If we do not clarify those confused ideas, it will be difficult to increase consciousness in studying theory.

Some people say: "Theory is changeable and you cannot depend on it. Things can be interpreted in any way." They try to use this argument to prove that it is useless to study theory. In fact the argument concentrates only on the surface of matters and fails to make a correct analysis of them. It must be acknolwedged that at the stage when leftist mistakes were committed in the past, and particularly during the 10 years of internal disorder, theory was indeed ever changing. At the same time, what was regarded to be correct yesterday became the targets of criticism today, and what was regarded to be correct today might possibly become erroneous things tomorrow. The propaganda of many theories was easily swayed by the political requirements at different stages. This state of affairs caused the greatest damage to the reputation of the party's theoretical work and ideological and political work. But many theories at that time were erroneous theories and even pragmatism and sophism rather than Marxist-Leninist scientific theories. Studying those kinds of theories is indeed not only useless but harmful. However, things today are fundamentally different. From the 3d Plenary Session to the 6th Plenary Session of the 11th CCP Central Committee, our party brought order out of chaos in its guiding ideology; some major theoretical problems were clarified and the true face of Marxism-Leninism-Mao Zedong Thought was restored. We must not judge today's situation by old standards and experiences. Next, we must make an analysis of "theory being changeable." In the past, people used to argue in favor of their erroneous political propositions by resorting to theory to repudiate as mistakes that which was formerly correct. This was a "change." At present, bringing order out of chaos and repudiating and correcting the previous "leftist" theories is another "change." The two must not be mixed together. Here lies a question of whether it is something which is correct changing to something which is wrong or vice versa. The criterion to judge the right and wrong of the change is still practice. So we must not indiscriminately negate all kinds of changes. We must warmly welcome correct changes, that is, the bringing of order out of chaos in theory, and promote its accomplishment through study. Furthermore, we cannot integrate overnight the universal principles of Marxism-Leninism-Mao Zedong Thought with the new conditions and new tasks facing us now and create mature theories suited to China's national conditions. It is necessary to sum up our experiences in practice and ceaselessly replenish, revive and substantiate some existing conclusions in practice so as to explore and probe new conclusions. This is also a "change." This change constitutes development. This change is invariably normal under any circumstances and it is particularly needed now. Otherwise, our theories will become rigid and cease to develop. In short, as long as we make a concrete and historical analysis of the phenomenon of the so-called "theory being changeable," we will absolutely not reach the conclusion that "what has been learned is of no use" and instead will derive from this a more profound understanding of the importance of theoretical study.

Some people say: "Studying theory cannot solve problems in practical work." This argument implies a misunderstanding of the role of theory. Theory is important, but no theory is a miraculous cure. Nor can it provide us with readymade answers to the various concrete and practical problems which we encounter. First, what is brought to light by a theory is, in general, matters of a universal and regular nature. Only from these can we find out knowledge about laws and the methods for observing and handling matters. The various concrete and practical problems in our work must depend on us for solution in accordance with the party's principles and policies and in the light of reality. Some people might argue: "Such being the case, it is all right just to implement the party's principles and policies and carry out the tasks assigned by the higher authorities. Why should we bother ourselves about studying theory again?" They fail to see that, although concrete problems depend on us for solution, whether ideologically we have a correct theoretical guide makes a world of difference. This is because the party's principles and policies are formulated on the basis of Marxist-Leninist theory. Without the basic knowledge of Marxist-Leninist theory, one will be unable to correctly understand these principles and policies and also be unable to implement them in a flexible and creative way in the light of one's own local actual conditions. Second, Marxist-Leninist theory must be combined with the actual conditions at our new stage, must bring to light the laws of our socialist construction and construction, and must scientifically elucidate major problems of principles in practical life. In this sense, at present there are indeed many practical problems which have not been theoretically solved and call for further systematic and scientific answers. However, this state of affairs shows all the more that it is necessary to study theory, integrate it with practice, and develop revolutionary theory rather than showing that "what has been learned is of no use." Some people might think: "This is a matter for the central leadership and theoreticians and has nothing to do with us." As for our cadres, although their work might be broad or limited in scope and the responsibilities they shoulder might be heavy or light, they have, in fact, a common task to combine general theory and principles with the actual conditions of their own localities and units through study and to explore the laws governing their own work. Even in terms of the whole country and the whole party, it is also absolutely not the affair of only a small number of people to integrate Marxism-Leninism with the reality of China, probing the laws governing our construction and advancing our party's theory are absolutely not the affairs of only a small number of people. Doing all this depends on the accumulation of the practical experiences of the whole party and the universal improvement of the theoretical level. In this sense, each one of our cadres has a share of responsibility for developing the party's theories. To fulfill this share of responsibility, it is first imperative to study seriously.

There are other people who say: "Even if we have studied theory, we are still not in a position to avoid making mistakes. In the past, we were called on to study theory. Some people even had a high theoretical level but committed mistakes just the same." This argument looks at problems in an oversimplified way. Correct theoretical guidance is very important in avoiding mistakes but cannot guarantee a cure for all diseases. This is because a person making a mistake is a complicated phenomenon and the reasons for it are often many-sided. In terms of theoretical guidance alone, in order to manage not to make a mistake, one must at least have the following conditions: 1) the theory itself must be correct; 2) it is necessary for one to carry out practical activities under its guidance; and 3) the theory needs to be continuously tested by practice and developed in practice. In the past, when theoretical guidance tallied with these conditions, we did our work in a relatively correct way and achieved successes. The reason why we sometimes made mistakes was either that the theory was basically wrong or that the theory was correct but divorced from practice. If the theory is itself wrong, the practice will naturally be wrong. For instance, there was a theory of "continuing the revolution under the dictatorship of the proletariat." The "Great Cultural Revolution" emerged from this. As good as the theory is, if it is not followed in practice, one will still make mistakes. For example, in theory, democratic centralism and the mass line should be practiced, but in reality the idea of what one says being what counts was practiced, thus resulting in subjectivism and cutting oneself off from the masses. It can thus be seen that the past mistakes committed by the leadership of the party prove the importance of preserving the correctness of theory and of uniting theory with reality, rather than prove that theories are useless. One of the important causes of our cadres following suit in making mistakes in the past was their low theoretical level and their lack of the ability to distinguish, in theory, between right and wrong on major principles. Under those circumstances, the reason why some cadres could keep a clear head and resist mistakes was not unconnected with their relatively high theoretical level and comparatively great ability to differentiate between right and wrong. This further shows the importance of the broad masses of cadres studying theories and increasing their consciousness.

Marx said: "The process of putting a theory into practice in a country is determined by the process of the theory fulfilling the requirements of this country." ("Selected Works of Marx and Engels," Vol 1, p 10) Comrade Mao Zedong also said: "The reason why Marxism-Leninism could play such a great role after it reached China is that China's social conditions already had a need for it." ("Selected Works of Mao Zedong," Vol 4, p 1452) The quotations from Marx and Mao Zedong clearly show the relationship between a theory and the actual need for it in a country. The liberation of the Chinese people badly needed, and present Chinese social development badly needs, the guidance of scientific theories. When our theories are correct and meet the needs of the Chinese people in transforming the country, the revolutionary cause will be greatly developed on the one hand and revolutionary theories themselves will be substantially developed, spread and be warmly welcomed by the broad masses of people on the other hand. But when some erroneous theories bring harm to our society instead of meeting its needs, these theories naturally will be detested by the people. At present, since bringing order out of chaos, the party's theoretical guidance has once again got onto the correct path and reestablished normal contact with actual needs. We are confident that the needs of our socialist construction will again arouse an interest in theory by the broad masses of the people and push Marxist-Leninist scientific theories forward. Our cadres must try hard to increase consciousness in studying theory, stand in the forefront and enthusiastically promote this process.

CSO: 4004/39

WHAT A THEORETICAL TEST SHOWS

Beijing RED FLAG in Chinese No 9, 1 May 82 pp 39-41

[Article by Qin Li [4440 0500]]

[Text] In order to meet the needs of cadres' philosophical study in the second half of this year, a party school has recently run a training course for philosophy instructors. Of the more than 100 participants, some were leading cadres from propaganda departments at the prefecture and county levels and leading cadres from party schools and cadre schools, but the great majority were theoretical teachers and ordinary propaganda cadres. After enrollment, the students were given an assessment test on the two subjects they were going to study. To some extent, the results of this test reflected the theoretical level of some theoretical cadres who are currently engaged in educational work and of some propaganda cadres. They have also shown why it is so important and urgent to strengthen cadres' theoretical study, particularly the study by theoretical and propaganda cadres at the grassroots level.

Five philosophical questions were posed on this test: 1) What are the basic questions in philosophy and which two aspects do they include? 2) Why do we say that the law of the unity of opposites is the essence and core of materialist dialectics? 3) What does the Marxist concept of practice imply? 4) What is the ideological line of the party, and what are the relations between ideological and political lines? 5) What Marxist philosophical works have you studied, and what philosophical lessons have you lectured on?

The first four questions were posed for the purpose of examining their basic knowledge of philosophy. The results of the test showed that those who could satisfactorily and accurately answer the questions accounted for about 20 percent; those whose answers were basically correct but not satisfactory and accurate accounted for about 40 percent; those who did very poorly accounted for about 40 percent, of which many participants could not answer some isolated questions, and some handed in their examination papers unanswered. Outstanding wrong answers to the basic questions in philosophy were "world outlook and methodology" or "the combination of theory with practice and the unity of opposites." With regard to the two aspects of the basic questions in philosophy, some participants answered that they were "political economics and scientific socialism." Half of the participants could not answer the question about the implications of the Marxist concept of practice and the question why the law of the unity of opposites was the essence and core of materialist dialectics; 25 percent of the participants could not answer the question about the ideological line of the party and the question about the relationship between ideological and political lines, which are often propagated in newspapers.

The fifth question was posed for the purpose of investigation. From the answers given by the participants, we could see that those who have studied philosophy or those who had done so in a comparatively systematic way accounted for about 57 percent and those who had not studied philosophy accounted for about 43 percent.

With regard to the history of the CCP, four questions were posed: 1) What are the fundamental differences between China's new democratic revolution and old democratic revolution? 2) What is Mao Zedong Thought, and what is the living soul of Mao Zedong Thought? 3) What is the great significance of the 3d Plenary Session of the 11th CCP Central Committee? 4) Please write a brief account of your past study of and lectures on the history of the CCP.

The purpose of the first three questions was to examine the basic knowledge of the party's history. The results of the test showed that those who could answer the questions satisfactorily and accurately accounted for about 9 percent; those whose answers were basically correct accounted for about 31 percent; those who could not answer satisfactorily and had many mistakes in their answers accounted for about 45 percent; and those who could not answer some isolated questions or whose answers were full of holes and even completely wrong accounted for about 15 percent. Some markedly wrong answers were given on their papers. For instance, with regard to the fundamental differences between China's new democratic revolution and old democratic revolution, some participants answered: "The old democratic revolution was not guided by unified thinking. Its sole purpose was to fight against the rich and assist the poor...and was waged for the livelihood of one family and one person and carried a very strong flavor of the bourgeoisie." With regard to the great significance of the 3d Plenary Session of the 11th CCP Central Committee, some participants did not know what the session was about, answering that the significance was that "classes do not exist, and although class struggle exists, the main contradictions are contradictions among the people." Comparatively speaking, their answers to the questions about Mao Zedong Thought and the living soul of Mao Zedong Thought were somewhat better, but many participants could not give accurate answers, and the answers of six participants were basically wrong.

The fourth question was asked for the purpose of investigation. The answers showed that those who had systematically studied the history of the CCP accounted for about 17 percent; those who had taken part in a short-term study course on or studied independently some party history accounted for about 26 percent; and those who had never studied the party history accounted for about 57 percent.

The above-mentioned material is to a certain extent representative. We know that there have been similar results in tests and investigation materials in some provinces. These materials show that a certain number of cadres who engage in theoretical and propaganda work at the grassroots level possess very little Marxist knowledge and have a low theoretical level and that it is very difficult for them to meet the requirements of the work. Of course, there are many causes for this phenomenon, but in the main it is owing to the disruption by Lin Biao and the "gang of four" and to some extent to the shortcomings in our work. Therefore, we should not simply blame our cadres. But under no circumstances must this phenomenon be allowed to continue. It is our urgent task to energetically raise the theoretical level of these cadres.

How can we solve this problem?

First, leading institutions in charge of theoretical and propaganda work must put special emphasis on the building of theoretical and propaganda contingents. Our party and state take Marxism-Leninism-Mao Zedong Thought as their guiding thought, and theoretical and propaganda work is an important part of the party's work. A strong and energetic theoretical and propaganda contingent is an indispensable force for pushing forward the work of party committees at all levels. Our comrades who engage in theoretical and propaganda work at the grassroots level get in touch with the cadres at the basic level and the masses almost every day. They directly shoulder the task of propagating Marxism-Leninism-Mao Zedong Thought among the masses and educating them with Marxism-Leninism-Mao Zedong Thought. Educators must first receive education. The theoretical level and quality of work of these comrades directly affect the raising of the ideological and political level and the completion of the tasks of the cadres at the basic level and of the broad masses. Therefore, we must put special emphasis on raising the theoretical level of the theoretical and propaganda cadres at the basic level. We must put this question on the agenda, adopt effective measures, and be determined to devote a certain amount of manpower and material resources to the training of theoretical and propaganda cadres in order to solve the problem of finding the teachers required for theoretical study and the problem of finding study materials and study time. In addition, we must be strict on cadres and carry out the necessary supervision and examination of their work. We must check not only their work but also their study. We must encourage them to study hard, to carry out investigations and to aim high.

Second, the cadres who engage in theoretical and propaganda work must be conscientious in their study. This is the crux of the problem. Some basic theoretical knowledge is not difficult to master so long as we conscientiously read some books and pay attention to the relevant articles in the newspapers and magazines. We should say that the study conditions of our cadres now are better than those in any period in the party's history. But no matter how good the objective conditions might be, they will be useless if we do not study hard. Since the 3d Plenary Session of the 11th CCP Central Committee, under the leadership of the party, theoretical and propaganda cadres have been conscientious in their study and have made a contribution to the party's theoretical and propaganda work. But owing to the long-term disruption by Lin Biao and the "gang of four," Marxist theory and the party's propaganda work have enjoyed less prestige. Some people think that theory is useless so they ignore it. It is necessary to carry out arduous ideological and political work to solve this problem. Decades of experience have told us that Marxism-Leninism-Mao Zedong Thought is an objective truth and that it is the only banner that can guide us in our advance to victory. Before we ask others to have a firm belief in Marxism-Leninism-Mao Zedong Thought, we ourselves must first have a firm belief in it. Our comrades who engage in theoretical and propaganda work must firmly believe in the correctness of Marxism-Leninism-Mao Zedong Thought, correctly sum up historical experiences and draw a practical scientific understanding from them. With a correct understanding of theoretical and propaganda work, we can have the spirit to study theory. So long as we are conscientious in our study, energetically raise our theoretical level and enthusiastically do a good job in our work, we can certainly bring into full play the power of theory and make greater contributions to educating and arming the masses with Marxism-Leninism-Mao Zedong Thought.

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WHY IS IT IMPERATIVE TO OPPOSE REGIONAL ECONOMIC BLOCKADES?

Beijing RED FLAG in Chinese No 9, 1 May 82 pp 41-42

[Article by Qi Xiangwu [7871 0686 2976] and Hou Yunchun [0186 0061 2504]]

[Text] Regional economic blockades refer to some localities and departments, proceeding from their respective partial interests and abusing their power, closing their markets, and blocking the supply of their raw materials and technology to others. At present, the main manifestations of regional economic blockades are as follows. Some local authorities force the marketing in their own areas of locally produced general machinery, electric equipment and farm machinery which are poor in quality and performance, even though the users are reluctant to adopt them. At the same time, these authorities also arbitrarily forbid users in their own areas from purchasing similar products of high quality from other areas. Some raw material-producing areas refuse to transfer their raw materials in line with state plans, and process these raw materials by themselves or sell them at high prices without authorization. Some keep their technology secret and block the popularization and application of advanced technology.

Economic blockades are a backward phenomenon of feudalism. One of the tasks in the bourgeois revolution is to smash these economic blockades and thus open a unified domestic market for the development of capitalism. Ours is a socialist state, where a unified domestic market is an essential condition for running a unified planned economy on the basis of public ownership. Practicing economic blockade will lead to historical retrogression and do great harm to the development of the socialist economy.

First, this action will undermine unified plans and markets. If an economic blockade is put in force, goods and materials cannot be smoothly circulated and cannot be fully utilized because they are blocked from being transferred in or out. Thus, commodity circulation is harmed and forced to diverge from state plans and the unified market is disturbed. In this situation, the state will certainly lose control of the overall economy and all economic activities will fall into chaos.

Second, this action will lead to blind production and construction and affect the improvement of economic results. Socialist production is socialized mass production. There should be not only division of labor but also close relationships between different enterprises, trades, departments and areas. Only when they assist each other and closely cooperate can production be handled normally. But, as a result of economic blockades, the internal relations of socialized mass production are artificially broken down. If one refuses to allow in those products that one can make, then inferior goods cannot be replaced in a timely way. If one insists on starting to make things one has never made before, this will cause blind production and blind construction and an enormous waste in manpower, materials, financial resources and transport power.

Third, this action will impede the development of technology. As a result of economic blockades, the products of high quality and low price made in other areas are unable to enter local markets, and their sales are affected. Thus, these products cannot be fully developed. Inferior local products, however, can monopolize the market because there is no other competitor. Thus, enterprises will lack outside pressure to carry out technical innovation and their products will hardly change for dozens of years running. Therefore, economic blockades, in fact, reject advanced things and protect backward things.

Economic blockades are not only extremely harmful to the overall national economy, but, in the long run, also harm the development of the local economy. If localities practice economic blockades, they will not only block others but will be blocked by others. Meanwhile, when backward local products are protected by means of economic blockade, not only will the enterprises producing these products lose the impetus to improve product quality and upgrade their products, but the area will also incur losses owing to high consumption and waste, poor efficiency and performance caused by the use of these inferior products. Therefore, economic blockades, though bringing some ostensible and temporary benefits to localities, are in fact an action of binding oneself, which is not only harmful to the state and other areas but also to oneself.

When we encourage breaking economic blockades, protecting proper competition and guaranteeing smooth circulation of goods and materials, does this mean that all products should be transferred in from the advanced areas, and that nothing can be done by the underdeveloped areas? No. In fact, each area has its own advantages as well as disadvantages. Not everything is advanced in advanced areas; nor is everything backward in underdeveloped areas. As long as underdeveloped areas can bring their advantages into full play while overcoming their disadvantages, and make efforts to adopt advanced techniques and technology and improve operation and management, they will be absolutely competent to compete with advanced areas and to strengthen themselves in the course of competition. Even if their product quality cannot reach a high level for a time, they should not exclude advanced products and protect their inferior products by means of closing their market. What they should do is to devote great efforts to catching up. Of course, advanced areas must guarantee that what they sell to the other areas are products of high quality, low prices and good service. They should also take the responsibility of helping underdeveloped areas in the fields of equipment and technology. At the same time, the state should also actively support and help underdeveloped areas. By means of taxes, interest rates and other economic levels, conditions should be created for underdeveloped areas to compete with advanced areas.

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STRENGTHEN IDEOLOGICAL AND POLITICAL WORK IN ENTERPRISES

Beijing RED FLAG in Chinese No 9, 1 May 82 pp 43-45

[Article by Wang Shengyi [3769 0581 5030], deputy secretary of the CCP Committee of the Anshan Iron and Steel Company]

[Text] Strengthening and improving ideological and political work in enterprises and further promoting the building of socialist civilization and spiritual civilization is an important task confronting enterprise party organizations. Over the last few years, we have deeply realized that to do this work well, the most important thing is to solve the problem of how to view ideological and political work. One argument holds that because the economic responsibility system has been introduced in the enterprises, it is advisable not to have any more ideological and political work. The advocates of this position say: "No matter what you say, you still have to give out banknotes" and "No matter how much you talk, it is still money that makes the world go round," and even that so long as secretary "Qian" [money] gives a mobilization talk anf factory director "Jiang" [bonus] makes a summary, the enthusiasm of the staff and workers will at once be aroused. This poses to people questions that call for immediate answers: In the four modernizations program, is there any need to uphold ideological and political work? What role does ideological and political work actually play? Only when these questions are correctly answered can the broad masses of cadres have a sense of urgency and enthusiasm for doing ideological and political work.

It must be acknowledged that the implementation of the economic responsibility system in enterprises and the appropriate issuing of bonuses play an important role in mobilizing the enthusiasm of the staff and workers. However, we must by no means think that the more bonuses issued, the higher the enthusiasm, and still less should we replace ideological and political work with bonuses. The implementation of the economic responsibility system is aimed at strengthening rather than abolishing ideological and political work. Viewed from the actual conditions of enterprises, there are economic factors, ideological and political factors, and many other factors, such as the contradictions within the family and other practical difficulties which affect the enthusiasm of the staff and workers. These cannot all be resolved by relying exclusively on the economic responsibility system and bonuses. At present, in the enterprises, bonuses must be issued but it will not do to arbitrarily distribute them. Bonuses play a large role for some people, but for others they are less important. There are some young people who have good family economic conditions, who will not take any notice if they spend 10 or 20 yuan more or 10 or 20 yuan less a month. For instance, in the Anshan Iron and Steel Company, many of the people who work in the open-hearth furnace workshops are absent from duty in the high-temperature season. Some young workers "take a summer holiday" at home, saying I would rather not get the scores of yuan of bonuses than get a toasting. Obviously, this kind of problem can only be solved by relying on ideological and political work rather than by relying on bonuses. This is because the comrades of the iron and steel mill carried out positive enlightenment work and painstakingly explained to the young workers, through paying visits to their parents and other ways, the relationship between making steel and the four modernizations program and helped them gain enlightenment from correct ideas. Thus the young workers eventually went back to work. This shows that while carrying out the economic responsibility system and utilizing such methods as the bonus system, it is imperative to carry out vigorous ideological and political work and to arm the masses of workers with revolutionary ideals and revolutionary spirit to better arouse their enthusiasm.

At present in the enterprises there exists the following phenomenon: when encouragement is mentioned, attention is more often than not centered on material encouragement while insufficient importance is attached to spiritual encouragement. We must not indulge in the idea of the "spirit being omnipotent," but we must also not negate the role of spiritual encouragement and indulge in the idea of "money is all-important." There was a young finished-product packer in the naphthalenic acid workshop of the chemical general plant who always stayed away from work without leave, or came late, left early and, while at work, slept like a log. Despite not getting any bonuses for 10 our of 12 months, in an uncaring manner, he said: "You may deduct my bonuses as you please. I will ask my father for money when I have used up all my money." Later, the workshop changed its method and started doing ideological work, adopting the method of giving priority to encouragement and commendation. This kindled his enthusiasm for work and his spirit of making progress, and eventually brought about a change in him. On the one hand, he won the "championship" in a finished-product packing exhibition match and was cited with a meritorious service certificate, second class and on the other, he was elected group leader of the packing group. The parents of many young workers say: "Giving my son a certificate of merit will have a greater effect on him than giving him 100 yuan. Money will be used up in several days while a certificate of merit, which will always hang on the wall, will give him the impetus to continue to devote his efforts to doing better." Of course, spiritual encouragement must not be carried out in isolation, divorced from people's material benefits. Marxism holds that all things for which people struggle are directly or indirectly related to their interests. People's interests include the rights and interests in all fields, such as political work, and we must not deviate from the rights and interests of the public in trying to analyze various ideological problems. Nor must we deviate from these rights and interests of the public in trying to find solutions to various ideological problems. In terms of economic life, for example, all the problems such as housing, employment for their sons and daughters, and the distribution of bonuses, have an impact on people's thoughts and feelings. Therefore, while enthusiastically solving the ideological problems of the masses, we must also pay attention to seeking earnest solutions to some practical problems of the masses. Of course, while solving these problems, we must take personal opinions and requirements into account and, at the same time, give consideration to the actual condition and capabilities of the state and solve them in a realistic and practical way. Over the last 2 years, the Anshan Iron and Steel Company has built additional floorspace of nearly 1 million square meters; more than 20,000 households of staff and workers have moved into their new houses; and most of the sons and daughters of the staff and workers throughout the company have been assigned jobs. These tangible material benefits have enhanced the confidence and power of the staff and workers in accomplishing the four modernizations program and have also made ideological and political work more convincing.

The fundamental task of the propaganda work and ideological and political work of enterprises is to carry out propaganda and education in Marxism-Leninism-Mao Zedong Thought among the staff and workers. It is necessary to help the masses of staff and workers to heighten their confidence in the superiority of socialism and satisfactorily solve the problems of upholding the socialist road and of fostering communist ideals. It is necessary to help the masses of staff and workers to realize their position of being the masters of the country, carry on the spirit of being the masters of the country, correctly handle the relationship between the state, the enterprises and the individual, and make greater contributions to the socialist modernization program.

The Anshan Iron and Steel Company has the glorious tradition of handling the relationship between the state, the collective and the individual in a manner of the people being the masters of the country. At present, this tradition is being revived and developed. However, in the new situation, some phenomena have emerged in enterprises which warrant special attention. For instance, some units indulge in selfish departmentalism and disregard the interests of the state. The main manifestations of this are: exerting more efforts for big profits and less efforts for meager profits; concentrating on profit sharing to the neglect of holding oneself responsible to the state; practicing fraud and retaining profits which ought to be turned over to the state; and concocting various pretexts for recklessly issuing bonuses. In the production process, the manifestation is disputing over trifles and counteracting each other's efforts rather than working in coordination by tacit agreement between different factories, workshops, teams and groups and having coordination between the upper and lower working procedures. Furthermore, in regard to staff and workers, some people, influenced by the hired hand mentality, hold the view that a person will do no more than he is paid for; some concentrate on quantity at the expense of quality, pay one-sided attention to production to the neglect of equipment and only look after themselves and disregard others; and in order to get more bonuses some even make false reports on figures and seize every chance to gain advantage by trickery. There was an electrician who, while checking the operations of machines, found that three of the foundation screws of a motor had become loose. He was aware that this would interfere with the normal operation of the equipment. According to reason, he should have tightened the screws. But the first thing that came to his mind was that the foundation screws becoming loose was the business of the electrical pincers team. If anything went wrong, bonus deductions would be made from other teams and he himself might be entitled to more bonuses. As a result, he neither tightened them nor reported to the departments concerned. As for these phenomena, we must, of course, not make a great fuss over them but they must not be allowed to go unchecked. In our ideological and political work, to deal with problems in this respect, it is necessary to imbue the masses of staff and workers with proletarian ideas including Marxist political thought, philosophical and legal thinking, moral concepts and so on in a constant, repeated and highly effective way. Only by so doing can we kindle the staff and workers' revolutionary spirit of loving the country and of being the masters of the country, heighten their sense of being the masters of the country, help the enterprises and the staff and workers put the overall interests of the proletariat and the interests of the state and the collective in first place, and help our enterprises to uphold the socialist orientation.

In order to help the staff and workers to carry on the spirit of being the masters of the country and correctly arrange the relationship of the individual with the state and the collective, many units of our Anshan Iron and Steel Company have carried out ideological educational activities in the "three comparisons and three understandings" in a deep-going manner. First, compare the new society with the old one and clearly show that their position of being the masters of the country was hard-won; second, compare socialism with capitalism and clearly show the essential difference between the workers being the masters of the country and the relationship of workers being hired under capitalism; and third, compare the situation before the "Great Cultural Revolution" with the situation after it and clearly show that the 10 years of internal disorder was one of the reasons for the blunted sense of responsibility of workers being the masters of the country among some workers. This year we have launched activities of settling accounts in the economic field on a company-wide scale. Like the Capital Iron and Steel Company, we have also widely calculated accounts in several aspects: First, we have calculated what was taken from the people and what was used in the interests of the people by the state so that the staff and workers will recognize the principle that the fundamental interests of the state, the collective and the individual are identical. Second, we have calculated the relationship between individual positions and the whole so as to foster the view that the economic results and the partial and local interests of enterprises must be subordinated to the overall interests. Third, we have calculated personal contribution by contrasting individuals with the advanced. We have carried out ideological and political work closely centered on the problem of how to handle the relationship between the state, the collective and the individual; as a result, great changes have taken place in the appearance of the staff and workers. At present, the number of those who conscientiously work without remuneration and enthusiastically make greater contributions to the state has increased, and the number of those who square accounts in every detail and do everything "for the sake of money" has decreased; the number of those who concern themselves with the collective and pay attention to both style and cooperation has increased, and the number of those who only look after themselves and indulge in selfish departmentalism has decreased. A contingent of iron and steel staff and workers who cooperate in unity and in accomplishing the four modernizations is taking shape, a contingent which is ideologically advanced, technically proficient and highly disciplined.

In economic work, stress should be put on the improvement of economic results and, similarly, immediate attention should be paid to the effect of ideological and political work. That is to say, it is necessary to really clear up doubts and suspicions in the minds of the staff and workers, and clarify all sorts of confused ideas so that everybody will make progress ideologically and improve.

To do this, it is no good to rely on empty talk and bragging, and it is worse to indulge in false statements which do not tally with objective reality. What is most convincing is facts, and what is most touching is true statements. Dull and dry preaching and force-fed inculcation will result in nothing. The aim of ideological and political work is to work for the people. Man's thinking is complicated and varied as well as growing and changing. This requires us to have a serious understanding of the new conditions, study new problems and probe new methods, and carry out ideological and political work with certain aims in mind. At present, do not some comrades feel that "the old methods are no good while the new ones have not yet been clearly defined"? Feasible methods stem from the investigation and study conducted by immersing oneself among the masses. So long as we have a clear picture of the different ideologies of different objects, we will already have solutions to the problems. While conducting an investigation in Liaoning Province, Comrade Hu Yaobang pointed out that without conducting investigations and study, it is difficult to do away with old restrictions. Investigation and study as well as examination and supervision are all learned from reality. To learn from practice is the best study. If our ideological and political work deviates from the investigation and study conducted by going deep into the realities of life, it will become random shooting. Furthermore, random shooting will inevitably give rise to indulging in either falsehoods or empty talk. This will surely lead to failure.

Over the last few years, on the basis of investigations and study and in the light of the different ideologies of different objects, we have adopted multifarious forms in doing enlightenment work and have tried hard to convince people by reasoning and influence them by tender sentiments. We have frequently provided people with clear concepts and distinctive images so that they will know what they must or must not do and how they must or must not behave. We have again publicized Anshan's veteran hero Meng Tai's spirit of being the master of the country, a spirit of plain living and hard struggling and loving the country as his own family; Wang Chonglun's spirit of forging ahead; Song Xuewen's spirit of keeping on working as long as he lives; Zhao Yulin's spirit of defying personal danger for the revolution; Zhao Chengshun's spirit of daring to scale new heights in science and technology; and Wang Wenpiqsyjs spirit of serving the people wholeheartedly. While publicizing old models, the Anshan Iron and Steel Company has set up large batches of new models. The company has set up 102 advanced party branches, 152 advanced party groups and 201 fine party members as models; in the field of the building of spiritual civilization, the company has set up a batch of models, such as young woman worker Chang Li of the No 2 blooming mill. We organized these models to separately give 117 lectures to 102 units. These activities enabled people to see that they have examples to learn from, that there is much room for them to exert their efforts and develop their abilities, and that they will be cited for meritorious service. Within the past year alone, there emerged 2,769 advanced producers and advanced workers, 578 advanced collective units and 5,473 shock workers in the new Long March.

To make ideological and political work a success, it is still necessary to have specific programs and feasible measures. For instance, within a year, how many rotational training courses for cadres will be held and what level will be attained? How many less advanced young workers will be helped to make progress? What level will be reached in a year in terms of spiritual civilization? All these call for specific requirements. Over the last few years, the problem of educating youths has become a serious problem. Everybody is now paying a good deal of attention to it. Before 1981, in the Anshan Iron and Steel Company there were 3,233 young people who were less advanced or had done evil things. These people "polluted" society and had simply become serious social polluters. In order to solve this problem, the whole company organized over 2,000 helping-teaching groups composed of more than 5,000 party members, CYL members and veteran workers. Within a year, they helped 1,528 less advanced young people to make progress and 1,119 young people who had taken a wrong step in life to cease their illegal and criminal activities. Of these, 247 have entered the advanced ranks. In the future, in accordance with the requirements of the CCP Central Committee and on the basis of earnestly summing up experiences, we, the Anshan Iron and Steel Company, will conscientiously find out where we lag behind and further firmly grasp ideological and political work.

CSO: 4004/39

PROCEED FROM THE CONDITIONS OF A CITY IN IMPROVING ECONOMIC RESULTS--A TALK ON THE METHOD OF LEADERSHIP ADOPTED BY THE NANTONG MUNICIPAL CCP COMMITTEE

Beijing RED FLAG in Chinese No 9, 1 May 82 pp 46-48

[Article by Di Long [5441 7127]; passages enclosed in slantlines printed in boldface]

[Text] Proceeding from reality is a basic viewpoint of dialectical materialism. It is also an important matter in carrying out our leadership well.

In recent years, under the guidance of the spirit of the 3d Plenary Session of the 11th CCP Central Committee, the Nantong Municipal CCP Committee has paid conscientious attention to this matter.

Whenever they decide to set up a new enterprise or to introduce new equipment, they consider whether this is in conformity with local conditions and characteristics and whether this can yield satisfactory economic returns. In their own words, they will "try by every possible means to accomplish feasible projects which conform to the local realities, while refusing to be attracted by infeasible projects, even if they are as attractive as gold and silver." These simple but lively words reflect that what they think and what they do are in accord with the materialist line.

Nantong is a medium-sized industrial city located in the lower reaches and on the northern bank of the Changjiang River. To its north, there is the vast Subei plain. Its urban districts cover 18 square kilometers. There is a population of 210,000 (not including people in suburban farming villages). There are 370 industrial enterprises with a total of 163,000 workers and staff. A modern textile industry has existed in this city for more than 80 years. Several similar medium-sized cities can be found in Jiangsu Province, and more can be found in the whole country. Compared with many other medium-sized cities, besides having features common to all of them, Nantong has its own specific characteristics in industrial production. The Nantong Municipal CCP Committee did not clearly realize their specific local conditions for a long time in the past. From time to time, they blindly organized and led industrial production. In the 10 years of chaos, this blindness in action was especially serious. In those days, owing to the influence of the "leftist" guiding ideology, they did quite a number of stupid things that did not conform to local conditions. For example, without making an investigation and study, they invested several million yuan in mining coal in another area in order to solve the coal problem; without thorough consideration, they embarked on infeasible projects such as fractional distillation of petroleum and producing reagents for developing color film. Investment worth tens of millions of yuan was thus like a huge stone dropped into the Changjiang River. As a result, some projects had to be stopped before they were completed, some could not yield benefits after they were completed, and others just became heavy burdens. Though this was not a small "educational expense," some leaders did not draw the proper lessons. In the period after the "gang of four" was smashed, the municipal committee still intended to develop heavy industry. They planned to build a heavy machine-building factory and put forward some unrealizable slogans and plans, such as "setting up an integrated industrial system" and "four bases." This showed that the municipal committee had not freed itself from the shackles of "leftist" ideas and had not clearly realized how to develop a city like Nantong. This was a basic reason why they took a roundabout course in developing Nantong's industry.

After the 3d Plenary Session of the 11th CCP Central Committee, the Nantong Municipal CCP Committee conscientiously summed up their positive and negative experiences in the course of implementing the policy of readjusting the national economy. They deeply felt that all kinds of work should be centered on production because the whole party was shifting the focus of its work, while production should be handled in line with local conditions and not be based on subjective will. Of course, the local conditions of Nantong are complex and varied. After repeated investigation and study, by inviting experts, professors and engineering technicians for discussions many times, the Nantong Municipal CCP Committee initially realized that the specific characteristics of Nantong could be summarized into the "three haves" and the "three have-nots," the so-called "three haves" are:
1) Nantong already has a foundation of production, technology and management for the textile industry, which has existed for more than 80 years. They have accumulated some experience over many years in this industry, and the proportion of light and textile industry is over 70 percent. 2) Nantong has abundant farming and sideline product resources which provide light and textile industry with sufficient raw materials. This is because Nantong is situated in one of the country's major cotton-producing areas.
3) Because Nantong is very near Shanghai, Suzhou, Wuxi and Changzhou, where light and textile industry is fairly developed, Nantong has favorable conditions for learning advanced experience from these cities. Moreover, Nantong has 22 kilometers of river bank which is beneficial to water transport. The so-called "three have-nots" are: Nantong has no mineral resources, no nearby fuel supply bases and no railway transport. These "three haves" and "three have-nots" generally reflect Nantong's specific local conditions.

These specific actual conditions are a major basis for working out all schemes and plans. While working out an overall plan for urban construction in line with the local characteristics, the Nantong Municipal CCP Committee decided to build Nantong into an industrial city with light and textile industry as the main body and into a future harbor city. They clearly put forth a slogan of "embarking on, guaranteeing, and promoting the development of light and textile industry" and blazed a new trail in developing industry in line with local conditions. This new trail not only gives full play to the existing advantages in light and textile industry, but also avoids the disadvantages arising from the shortage of mineral products and energy resources. This results in low investment and low energy consumption, rapid completion of projects, speedy circulation of funds and satisfactory economic results. Examples can be found in the development of bicycle production and the electronics industry. The production of bicycles, which are in short supply now, can reap quick returns. They can acquire sufficient raw materials for this purpose from the state and only consume small quantities of coal and power in the production. After determining the orientation, the municipal committee mobilized the strength in all fields to give all-out support in manpower, finance and materials and thus production has grown rapidly every year. The output of Changjiang bicycles last year was 140,000. These products were sold in 260 cities and counties of 22 provinces, municipalities and autonomous regions. In doing this, Nantong avoided its disadvantage of having a shortage of mineral resources and energy resources and gave play to its advantages.

Though the way for developing industry in line with local conditions has been found, it cannot be considered that all contradictions in taking this way have been resolved. In the course of "embarking on, guaranteeing, and promoting the development of light and textile industry,' Nantong has continuously met new problems. The municipal committee takes an active attitude and devotes efforts to analyzing and properly handling the following matters, thus bringing their advantages into full play.

/Persisting in expanding reproduction mainly in an intensive manner and doing a good job of tapping potential, renovating and transforming equipment./ The so-called "expanding reproduction intensively" means that the aim of developing production and expanding capacity is attained by intensive operation and improving technology but not by increasing investment. This results in less money spent but greater benefits. In the past, some comrades thought that only by increasing manpower, investment and equipment could conditions be created for expanding reproduction. That is, in essence, to expand reproduction in an extensive manner. The state cannot make a large investment in this city each year; thus it is impossible to build many new enterprises from the very beginning. Proceeding from the specific conditions of little state investment but many old enterprises, the municipal committee has stressed reforming these old enterprises and achieved initial results. From this they realize that by raising the production level and the technical level of existing enterprises by tapping their potential, and by renewing, renovating and reforming their equipment, they can bring their proper economic efficiency into full play and thus attain the aim of expanding production. Therefore, in developing light and textile industry, the municipal committee persists in placing reliance on existing enterprises and expanding reproduction mainly in an intensive manner. The major measures for doing so are: renovating and reforming old equipment, actively popularizing new techniques and technology to strive for production with high output and low consumption and providing readily marketable products of high quality, filling up gaps; creating distinctive local features for enhancing the level and competitive force of their products, and economizing on energy and tapping labor potential. There are several old plants in the textile trade in this city which had old equipment and were backward in technology and low in productivity. After technical transformation, their old equipment has been thoroughly modernized and the old enterprises have taken on a new look with a higher degree of mechanization, automation and continuity.

/While adhering to self-reliance, actively and reasonably utilizing foreign capital./ The Nantong Municipal CCP Committee adheres to relying on their own strength in construction and takes this as a major policy. But they never refuse to make use of foreign capital beneficial to construction. Proceeding from the local conditions of Nantong, they have made use of foreign trade loans, compensation trade, joint ventures with foreign companies and the processing of imported materials, so as to speed up the development of local industry. They believe that the utilization of foreign capital can not only economize on state investment, speed up the development of our industry and satisfy the needs of people's material life, but can also step up accumulation of funds for national construction. It is a measure which can yield multiple results. It exactly embodies the policy of "relying mainly on one's own efforts while making external assistance subsidiary." The No 2 National Cotton Mill has, since December 1979, imported 23,400 spindles and assembled by itself 988 looms by utilizing loans offered by an American company. It took only 21 months to complete the whole project, which had yielded a net foreign exchange return of $3.6 million by the end of last year. It is expected that the whole capital outlay can be recouped within 5 years, and then all the imported equipment and capital will be owned by this factory. As a leading comrade of the municipal committee has said, "It is a profitable measure to use foreign capital and to import advanced equipment. The key lies in borrowing money skillfully, utilizing it properly and getting a quick return."

/Developing other industries while "starting, guaranteeing and promoting the development of [illegible] t and textile industry."/ The development of light and textile industry is the crux of Nantong's economic construction. The municipal committee, however, has not neglected guidance and organization for other industries. Centering on developing light and textile industry, they have actively changed the service orientation of the machine-building industry and the chemical industry and encouraged the production of light industrial products. The machine-building and chemical industries have also raised the slogan "Support light and textile industry and strengthening ourselves." They have reduced the number of long-term projects and intensified the short-term projects, making use of their respective advantages to provide light and textile industry with technology, equipment, raw materials and subsidiary materials and serving light and textile industry conscientiously. The electronic instrument plant has actively developed instruments for light and textile industry; at the same time, they have changed their product ranges in line with market conditions and produced electronic appliances. During the readjustment, machine tool plants are generally short of production assignments, but the Nantong Machine Tool Plant is still developing. They have continuously improved designs for a kind of multiple-use miller which is now suited to maintenance and production and also to making light industrial molds in various enterprises. These products not only have supported the development of local light and textile industry, but have also been exported to other countries. Thus the production there is becoming more and more prosperous.

/Actively developing collective-owned enterprises in the course of readjusting the economic structure./ Quite a few people in society look down on enterprises under collective ownership. It seems to them that collective-owned enterprises are inferior to state-owned enterprises. To counter this tendency the Nantong Municipal CCP Committee continuously overcomes the wrong idea of "looking up to enterprises under the system of ownership by the whole people while looking down on enterprises under the system of ownership by the collective." They treat the latter as a fresh force in the construction of modernization and help develop them with great efforts. They also actively support the enterprises run by neighborhoods, suburban communes and production teams. Of 370 factories in the whole city, 261 of them are enterprises under the collective ownership system, accounting for 70.5 percent of the enterprises. Particularly in the second light industry department and the electronic instruments trade, collective-owned enterprises account for 91 percent of the enterprises. These factories are characterized by a small scale, flexible operation and high adaptability. They can rely on funds raised by themselves to expand reproduction, and thus can achieve a fairly great development in the course of competition. In recent years, the growth of the industrial output value created by collective-owned enterprises in this city has greatly exceeded that created by enterprises under ownership by the whole people. As a result of greatly developing collective-owned enterprises, not only can the social labor force be fully used to develop the production of consumer goods, thus satisfying the needs of people's life in both urban and rural areas, but more employment opportunities can be created, thus promoting the unity and stability of society.

Because the Nantong Municipal CCP Committee persists in starting from local specific conditions, continuously analyzes and studies new situations, and finds solutions for new problems, industrial production in this city has achieved a fairly high growth rate and good economic returns. Last year, the gross industrial output value of the whole city was as high as 2.15 million yuan, or nearly double that in 1976; the per capita output value was thus increased to 11,197 yuan. The employment problem of this city has basically been solved--77.7 percent of the population is employed. This means that each employed worker now only supports 0.3 person. This is rarely seen anywhere in the country.

The great change that has occurred in Nantong is closely related to the improvement of the leading organ's work style. The leaders of the municipal committee hold that, in order to push ahead the production of light and textile industry, it is necessary to change the leadership style--leaders should go out of their offices to help grassroots units solve their actual problems. In recent years, leaders of the party's municipal committee and the municipal people's government have introduced a system of "jointly working on the spot," which has been welcomed by the grassroots in general. Under this system, leading comrades of the party's municipal committee and the municipal government personally take the lead and organize other leading members of the departments concerned in going down to bureaus and factories. They find out the situation there and solve problems personally on the spot. This is both a change in leadership style and an improvement in the art of leadership. It can effectively link a general call with concrete guidance. Last year, the municipal authorities loaned 3.96 million yuan to the Nantong Bicycle General Factory. In order to get a return on this investment as quickly as possible, leading comrades of the municipal party committee and the municipal government led more than 50 leading members from over 20 departments concerned, including planning, economic, construction and finance departments, and went to work in the bicycle factory. They confronted over a dozen problems which were apt to cause disputes between different departments, problems such as those concerning funds, land requisition, capital construction and equipment. They made on-the-spot decisions that were recorded, and the parties concerned were charged to complete their tasks within a time limit. The cadres and masses of this bicycle factory were pleased and said: "So long as this system of leading members of the municipal committee going down to work in a factory can be persisted in, it is certain that the construction of modernization in our city can be speeded up."

Seeing the existing good results, the Nantong Municipal CCP Committee soberly realizes that, as compared with Shanghai, Changzhou and other advanced cities, they still have a long way to go, have lots of things to do and a lot of problems to solve. They know that if one rests content with things as they are, one will never make further progress. At the beginning of 1982, the municipal committee put forth higher goals for the people of the whole city and placed higher demands on itself. A vigorous, down-to-earth and mutually encouraging spirit is now spreading through the city.

CSO: 4004/39

VOLUNTARILY ASCEND LIANGSHAN MOUNTAIN

Beijing RED FLAG in Chinese No 9, 1 May 82 inside back cover

[Article by Liu Zijiu [0491 1311 0036]]

[Text] The saying "voluntarily ascend Liangshan Mountain" was derived from the idiom "being driven to ascend Liangshan Mountain." In today's political vocabulary, "being driven to ascend Liangshan Mountain" means the people are forced to rise and wage revolution. As it is known, in history, due to the cruel oppression and exploitation by slave owners, slaves are driven to wage revolutions; for the same reason, peasants are driven to wage revolution against landlords and the proletariat is driven to wage revolution against the bourgeoisie. National revolutions throughout the world are all forced by the aggression, oppression and exploitation of alien nations. The idiom "being driven to ascend Liangshan Mountain" is a highly general summary of all class revolutions and national revolutions in modern or ancient times, in China or elsewhere.

At present, we are devoting great efforts to reforming our organization; this is also a revolution. But this revolution is not forced by a class enemy, nor by a national enemy. It is waged by ourselves, of our own accord, under the party central authorities' mobilization and leadership. So, we say that this revolution can be described as "voluntarily ascending Liangshan Mountain." However, this revolution is not directed at people but at the system. A revolution of the system will certainly lead to the promotion of self-education and self-revolution in the aspects of ideology, organization, politics and work style.

Why should we wage such a revolution? That is because some unhealthy phenomena, such as duplicate and overstaffed leading organs, unclear division of duties and responsibility and being divorced from the masses and reality, have been formed in the long period of a peaceful environment. This has severely blocked the growth of productive force and social progress and has reached such an intolerable degree that reform must be carried out by means of revolution. In order to give an impetus to the development of productive force and social progress, our party central authorities have made up their minds to carry this revolution through to the end. This is a very necessary and very timely decision.

Reforming our organization is a revolution in the realm of the superstructure. That is designed to solve the problem that a part of our superstructure is not suited to the economic foundation and is impeding production from developing. The superstructure should, in essence, serve the economic foundation on which it is built, and ultimately, it should serve the development of production. If a part of the superstructure begins to lose its function of serving the economic foundation and the development of production, then this superstructure faces the danger of losing its right to exist. If this contradiction is not solved promptly, it will cause a series of frictions and troubles inside society, thus resulting in enormous waste, and even stagnation and retrogression. In history, no other social system or ruling class has been able to overcome this contradiction which often develops into an incurable disease and perishes together with those social systems and ruling classes. Only the socialist system and the proletariat and the Communist Party can solve this problem conscientiously and promptly. That means that they can, on their own initiative, adjust those unsuitable links in the relations between productive force and production relations and between the economic foundation and the superstructure, so as to continuously perfect the system and improve leadership. That is where the superiority of the socialist system lies and where the revolutionary, scientific and advanced nature of the leadership of the proletariat and the Communist Party lies. To sum up this matter, it can be called a kind of self-revolution or "voluntarily ascending Liangshan Mountain" as I have mentioned above.

This self-revolution of "voluntarily ascending Liangshan Mountain" is exactly a problem of correct handling of contradictions among the people. Its essence is correctly handling the relations between individual interests and overall interests and between immediate interests and long-term interests. While contradictions occur between individuals, current interests and overall, long-term interests, the former should spontaneously obey the latter--that is the sole correct way to handle this contradiction among the people, in particular, a ruling party should act in this way in the period of peaceful construction. Are there not quite a lot of people who have suffered setbacks because they cannot properly handle this contradiction? Of course, it is not only a question of individual fate, but a question concerning the country and the party's fate. Therefore, we regard this revolution--the reform of the organization--as a test for the broad masses of cadres, and we believe that they are able to stand up to this test and successfully carry out this revolution.

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16 July 1982

CHINA REPORT

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CONTENTS

Our Banner Is Communism (pp 2-6)
(Editorial Department).. 1

Recalling a Letter by Mao Zedong (pp 7-8)
(Ouyang Shan).. 9

Be an Honest Spokesman of the Masses (pp 9-12)
(Wei Jianlin).. 12

On Eulogy and Exposure (pp 13-16)
(Ding Zhenhai).. 18

The Four Basic Principles Represent the Fundamental Guiding Ideology in Revising the Constitution (pp 17-19)
(Lin Liangqi).. 25

The People's Congress System Is Our Country's Basic Political System (pp 20-24)
(Wang Shuwen).. 30

The Development of Socialist Democratic Politics Is an Important Question (pp 25-27)
(Gong Yuzhi).. 39

A New Question for Study (pp 28-30)
(Xu Daohe).. 45

Is an Individual Undertaking Practicing Exploitation If It Employs Assistants and Takes on Apprentices? (pp 30-31)
(Dong Yancheng).. 49

Do Joint Undertakings and Individual Undertakings Mean Employment? (p 32)
(Lian Cen) 51

Can Our Country Use Deficit Budgeting To Stimulate Economic Development? (p 33)
(Dai Yuanchen) 53

A Tentative Plan of Strategic Measures for Developing Our Country's Agriculture (pp 34-38, 43)
(Zhan Wu, et al.) 55

On Spiritual Civilization and Marxism (pp 39-43)
(Zhang Qihua) 65

A New Phenomenon in Postwar Monopoly Capitalism--Development of Economic Integration (pp 44-48)
(Hong Wenda, Wu Yikang) 72

OUR BANNER IS COMMUNISM

Beijing RED FLAG in Chinese No 10, 16 May 82 pp 2-6

[Article by Editorial Department]

[Text] Recently, the facts of numerous illegalities and crimes in the economic field have told us that we are facing a serious struggle under new conditions between capitalist ideological corruption and socialist ideological opposition to corruption. This struggle is protracted. All communists and party cadres will have to stand up to new, rigid tests repeatedly during the struggle.

The Central Committee of the Chinese Communist Party has pointed out solemnly to the whole party: We must persist in the party's policy of pursuing open policies toward foreign countries and flexible economic policies domestically to speed up our socialist modernization; while at the same time we must persist in carrying on the struggle against corrosion by bourgeois ideology and uphold the communist integrity of our party forever. All members and cadres of our party must firmly remember the fundamental aim of our party to serve the people wholeheartedly, the eventual aim of our party to realize the lofty ideal of communism, and the fundamental nature of our party as the vanguard of the working class. Should any member or cadre of the party waver on this fundamental point, he certainly has been affected by the corruptive bourgeois ideology. If he refuses to repent, he is not qualified to be a Communist Party member and is betraying the communist cause.

Communism means, in the first instance, the social system of communism, and, in the second instance, the communist movement under the guidance of the communist ideological system. We have conducted the communist movement organizationally and with political programs in China ever since the founding of the party. We have completed the task of the new democratic revolution, the task of the socialist transformation of the ownership of the means of production, begun socialist construction on a huge scale and entered a new historical period of all-round socialist modernization. We have also completed the tasks of a few historical stages in the communist movement. What we are embarking on now is no longer a communist movement in an ordinary sense, which means that the proletariat has not yet won its revolution, has not yet seized political power and has not yet become the ruling class. We are now conducting a communist movement after we have already set up a socialist system, that is, the first stage of the communist system. We, members of the CCP and party cadres, should be proud of this.

Our tasks of revolution are far from having been accomplished. This was clearly pointed out in the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC": "In firmly correcting the mistake of the so-called 'continuous revolution under the dictatorship of the proletariat,' a slogan which was advanced during the 'Great Cultural Revolution' and which called for the overthrow of one class by another, we absolutely do not mean that the tasks of the revolution have been accomplished and that there is no need to carry on revolutionary struggles with determination. Socialism aims not just at eliminating all systems of exploitation and all exploiting classes but also at greatly expanding the productive forces, improving and developing the socialist relations of production and the superstructure and, on this basis, gradually eliminating all class differences and all major social distinctions and inequalities which are chiefly due to the inadequate development of the productive forces until communism is finally realized. This is a great revolution, unprecedented in human history." While working at their posts, all party members and cadres must contribute their due share toward this great revolutionary movement.

If the communist movement is to advance continuously and to win victories, our party must conduct communist ideological education among the various nationalities of the whole country, but first of all, among party members and cadres. Party members, especially party cadres, should carry on their work with communist spirit. They should shape their words and deeds to communist thinking and morality. Some comrades maintain that we are now in a socialist society, so we should promote only socialist morality and should not promote communist morality. This is wrong. In the stage of the new democratic revolution, Comrade Mao Zedong put forth the need to publicize communist thinking and Comrade Liu Shaoqi also proposed that communists should have communist morality. Why should communist morality not be advocated in a socialist society? It is true that in a socialist society, the consumer goods should be allocated to the laborers according to the principle of from each according to his ability and to each according to his work. We must continuously implement this principle, improve it while carrying out the policies, and overcome the malady of egalitarianism. However, in implementing this principle, we do not reject the communist attitude toward labor. On the contrary, it is necessary to encourage the people to adopt this attitude. In particular, the party members and cadres should be encouraged to actively participate in voluntary, unpaid labor without fixed quotas. As a matter of fact, many members in our party, as well as many model workers and other advanced persons in our country are engaging in noble communist labor every day, every month and every year. There is no contradiction between upholding the principle of to each according to his work and advocating the communist attitude toward labor. They supplement each other. Advocating the communist attitude toward labor and the application of communist morality in handling the social relationships of various forms will not hinder the implementation of the system of to each according to his work and the implementation of the various social policies at the present stage of socialism, but will generate an indispensable force to promote such implementation. These precious communist elements in socialist society are significant in resisting corrosion by capitalist ideology, enhancing enthusiasm and creativeness of the working people and promoting healthy development of socialist modernization.

Every member of the party joins the party voluntarily. That is, beginning with the day he takes the oath to join the party, he has pledged his determination to struggle all his life for the realization of communism and to submit consciously to the restraint of party discipline. This voluntariness includes the determination to abandon all things harmful to the interests of the party and to sacrifice his life when he is required to do so. Every party member should correctly handle the relationship between discipline and creativeness. The two coincide if observed from the communist ideological perspective. Our proletarian revolutionaries of the older generation and our martyrs set examples in many ways. Comrade Zhou Enlai was a good example. All his life he seldom acted in his own way. He did whatever the party assigned him to do, and did it assiduously. He achieved great success in what he did. Some of our comrades hold that the presentation of the four basic principles would prevent the emancipation of the mind and the development of creativeness and subsequently they did not dare to think, speak and act. For party members, the emancipation of their minds, the development of their creativeness, and their daring to think, speak and act should not deviate from the guidance of communist ideology. If we separate emancipation of the mind, creativeness and daring to think, speak and act from Marxist theory, we shall be deviating from the principled stand of Communist Party members and shall invariably sink into the quagmire of bourgeois ideology.

Historical lessons merit attention. During the "Great Cultural Revolution," the Lin Biao and Jiang Qing counterrevolutionary cliques assumed the ultraleftist outlook, or rather, came from the ultraleft to sabotage our party's communist movement, thereby greatly impairing the nature of our party as the vanguard force of the working class and the communist integrity of our party members. Their pernicious influence is far from being completely wiped out and is corroding some people. For example, they said that "when one is in power, one will have everything." This viewpoint was very harmful. Upholding this wrong viewpoint, some people expressed the filthiest things in their innermost being by a theoretical form, so as to provide a "theoretical basis" for all their filthy activities which deviated from the principle of party spirit. Incited by this wrong viewpoint, some adventurers, speculators and dregs of society came from the top downward, from the bottom upward and from every direction to establish ties to seize power from the old revolutionaries, veteran cadres and party members. Before the "Great Cultural Revolution," some comrades inside our party sometimes showed individualism but, more often than not, they told themselves that individualism was undesirable and, therefore, dared not show it to the party organization. However, during the "Great Cultural Revolution," abetted by the Lin Biao and Jiang Qing counterrevolutionary cliques, individualism swelled to a serious extent. If I do not like the look of you, I shall shove you to the ground; it is better for me to hold power than you; my faction will take a share proportionate to its strength; I want to hold open negotiations and have a showdown. These deeds completely bared some people's filthy innermost being. Even up to the present, some people regard anarchism and extreme individualism as something natural. They regard them with pride instead of shame. This historical lesson shows how important it is for party members and cadres to maintain their communist integrity.

Since the 3d Plenary Session of the 11th CCP Central Committee, a series of social policies have been adopted under new conditions. For instance, externally, we have introduced the open policies of taking in foreign capital, running joint ventures with foreign capital, processing materials for foreign businessmen, carrying out compensatory trade and conducting business in labor cooperation. Internally, we have adopted flexible economic policies. For example, we will permit the various forms of economic undertakings and business management to exist for a long time under the precondition of giving absolute superiority to socialist public ownership; in the countryside, we have instituted various forms of the production responsibility system, developed a diversified economy, expanded the acreage of land for personal needs and opened trade fairs; in the cities and towns, we have carried out the economic responsibility system and developed the collective economy; with regard to financial policy, the localities are allowed to "eat in separate kitchens" and the enterprises are allowed to retain a portion of their profits and restore the bonus system; and many other social policies have been adopted. Practice has proved that these policies are essential, correct and effective. We must uphold these policies and make further efforts to implement and perfect them. However, we should see that, due to domestic factors and international influence, class struggle still exists in China to a certain extent. The present campaign against serious criminal activities in the economic field is an important manifestation of class struggle in the economic field. Class enemies at home and abroad are trying by every possible means to sabotage our socialist modernization and disrupt our communist movement. The criminals who engage in smuggling, trading in smuggled goods, giving and taking bribes, speculation and cheating, and who seek private gain at public expense and take forcible possession of state property, have gone to an unbearable extent in shamelessly devising all possible means to achieve their ends. Capitalists make reckless moves in pursuit of profit; they dare to commit any crime, and even risk the gallows. What difference is there between capitalists like this and the elements in our country who commit serious crimes in the economic field? Is there any socialist road in these people's minds? Is there any communism there? Is there any patriotism? Is there any national dignity? Is there any national and personal moral character? There is not a trace of these things!

The realities at present show more clearly that it is extremely important for party members to maintain their communist integrity. To do so, they must carry out the struggle between the two fronts. They must wipe out the pernicious influence of the Lin Biao and Jiang Qing cliques and of the "leftist" ideas. They must also combat bourgeois liberalization and particularly at present combat corrosion by capitalist ideas.

We must have all-round, clear understanding about the various aspects of the corrosion of the party organizations, party members and cadres. As a whole, the CCP is good and has combat effectiveness. During the period from the third plenary session to the sixth plenary session, we had already accomplished the historical task of setting the guiding ideology to rights, reiterated and established the Marxist ideological, political and organizational lines, formulated and carried out a series of correct principles and policies for dealing with domestic and foreign affairs and won remarkable success. The political maturity of our party Central Committee and, in particular, its Marxist leadership level shown in the socialist modernization, which has been carried out according to the national conditions, have been recognized by all outside and inside the party and have attracted worldwide attention. Our faith in this point should never waver.

However, we should also see the other aspects. First, communist ideology has weakened in varying degrees in the minds of a very few old party members and old cadres. As for some of them, their ideal of and faith in communism wavered because the party's guiding ideology had been erroneous for some time or because the state had met serious difficulties. Others were poisoned by the fallacy that "power will be invalid after the specified date" as professed by the "gang of four" so that after being reinstated, they forgot their original intention of fighting their whole lives for communism and became intent on seeking personal interests for their sons and daughters. Second, the many young party members who joined during the "Great Cultural Revolution" lacked education in the basic knowledge of communism, and some of them joined the party as speculators. These two conditions gave rise to some unsteady elements in our ranks of party members and party cadres. Corruptive bourgeois ideology can be disseminated in the party through these unsteady elements. Some of them have actually been hit by the "sugar-coated bullets" of the bourgeoisie and have taken the road to decadence and degeneracy.

At present, our party is facing many new problems and new tasks in the ideological, political and organizational fields which we have to scrutinize and solve in the light of communist ideology.

Our party has been emphasizing the emancipation of the mind since the 3d plenary session of its 11th Central Committee. Emancipation of the mind means making our thinking and understanding tally with objective reality. At that time, it was aimed mainly at shaking off the long-term yoke of "leftist" ideas, for our cause would not advance if this yoke were not removed. The profound and lasting significance of the emancipation of the mind should in no way be underestimated. At the moment, some people have not completely shaken off the yoke of "leftist" ideas. Yet it should be soberly realized that at the same time corrosion by capitalist thinking is becoming increasingly serious. This can be shown by the fact that the ideas of bourgeois liberalization have spread unchecked. The Central Committee of the party has always been explicit about the meaning of emancipation of the mind. It has been clearly elucidated and repeatedly stressed in the relevant documents of the party Central Committee and the speeches delivered by leading comrades at the central level that emancipation of the mind means seeking truth from facts. Yet, this slogan "emancipate the mind" has actually encountered boycott from the "left" and distortion from the right.

In recent years, we have been increasingly expanding our academic exchanges with foreign countries. We have absorbed good managerial experience and advanced science and technology from other countries and have gained knowledge in academic fields from the outside world that we did not have in the past. We have widened our field of vision and have broadened our mental horizon. This should be affirmed. But, we must also admit that in the course of academic exchanges, certain comrades, due to lack of thorough understanding and study, are short of scientific analysis of certain foreign things. Some people are writing articles and making speeches blindly publicizing ideas which had already been criticized by Marx, Engels, Lenin and Stalin in their times. Certain ideological trends which are in vogue in the West, such as existentialism, are viewed with much interest by some of our younger people. Some young people are indeed groping for knowledge, but in general they lack the theoretical preparation of Marxism. Because the Lin Biao and Jiang Qing counterrevolutionary cliques had left our country in a terrible state, the socialist system was damaged, the party's image was impaired and the problems which were left behind could not be solved at one blow. In this situation, the young people who lack the theoretical preparation of Marxism and do not know the histories of our party and state lost their confidence in Marxism and the socialist system. They felt that they had found a new way out once they contacted the Western ideological trends. Therefore, if we are to uphold the party's correct principles on the ideological front, we should, while criticizing "leftist" things, adopt a Marxist attitude toward certain prevalent Western ideological trends, analytically point out their rational parts and make convincing criticism against the parts which are erroneous.

The proletariat is the most revolutionary class and is the most adept in learning. We must not only study Marxism but also learn from all foreign countries the things which are useful to us. But the class and the people whom our party represents do not permit us to alter and weaken our party's nature as the vanguard force of the working class and our faith and trust in communism. They do not permit the party members to be corroded by capitalist ideology. On the contrary, they invariably demand that the party members preserve their communist integrity, that we uphold the party's fine traditions and that we persist in putting the communist thinking in a ruling position in the ideological sphere.

In the past 60 years and more, our party took a tortuous path many times and suffered defeats several times, but it continued to firmly carry out the historical tasks of the proletariat. We won countless victories but we did not stand still after winning a victory. Instead, we always marched forward to win a new victory. In his article "The Situation and Tasks in the War of Resistance Against Japan After the Fall of Shanghai and Taiyuan," Comrade Mao Zedong castigated class capitulationism and national capitulationism and pointed out that in one respect we should hold the ground we had already won, for this ground was our strategic point of departure, but our chief purpose was to extend the ground already won and to seize new ground. It is precisely in this way that our cause and communist movement have always advanced step by step toward our great ideal.

Let us read the "Report on the Review of the Program and on Changing the Name of the Party" which Lenin delivered to the Seventh Congress of the Russian Communist Party (Bolshevik). This report is of great significance to us today in upholding the ideal of communism and communist thinking. He called for making a clean break with the anarchists and with social-chauvinism in the Social Democratic Party. He said: "When the workers set up their own state they realized that the old concept of democracy--bourgeois democracy--had been surpassed in the process of the development of our revolution. We have arrived at a type of democracy that has never existed anywhere in Western Europe." ("Collected Works of Lenin," Vol 27, p 114) That was to say, he combined the resumption of the name of the Communist Party with a new type of democratic government which had been established. We have called our party the Communist Party right from its inception. We have already established a government under the people's democratic dictatorship. There are conditions and it is necessary for us to distinctively put forth the question of holding high the banner of communism in the party. The "resolution" adopted by the 6th Plenary Session of the 11th CCP Central Committee pointed out: "Our present endeavor to build a modern socialist China constitutes but one stage of this great revolution. Differing from the revolutions before the overthrow of the system of exploitation, this revolution is carried out not through fierce class confrontation and conflict, but through the strength of the socialist system itself, under leadership, step by step and in an orderly way. This revolution, which has entered the period of peaceful development, is more profound and arduous than any previous revolution and will not only take a very long historical period to accomplish but will also demand many generations of unswerving and disciplined hard work and heroic sacrifice. In this historical period of peaceful development, revolution can never be plain sailing. There are still overt and covert enemies and other saboteurs watching for opportunities to create trouble. We must maintain high revolutionary vigilance and be ready at all times to come out boldly to safeguard the interests of the revolution. In this new historical period, the entire membership of the CCP and the entire people must never cease to cherish lofty revolutionary ideals, maintain a dynamic revolutionary fighting spirit and carry China's great socialist revolution and socialist construction through to the end." We must adhere to this orientation pointed out by the "resolution"; adhering to this orientation means holding high the banner of communism.

We hold high the banner of communism and uphold the communist integrity of party members. But we certainly do not mean to immediately put into practice the policies that will come with the advanced stage of communism. In "On New Democracy," Comrade Mao Zedong said: "Beyond all doubt, now is the time to spread communist ideas more widely and put more energy into the study of Marxism-Leninism, or otherwise we shall not only be unable to lead the Chinese revolution forward to the future stage of socialism, but shall also be unable to guide the present democratic revolution to victory. However, we must keep the spreading of communist ideas and propaganda about the communist social system distinct from the practical application of the new democratic program of action; we must also keep the communist theory and method of investigating problems, undertaking research, handling work and training cadres distinct from the new democratic line for national culture as a whole. It is undoubtedly inappropriate to mix the two up." ("Selected Works of Mao Zedong," Vol 2, p 666) The conditions at present are entirely different from those at that time. However, the principles which Mao Zedong talked about are still applicable. We are now engaging in the socialist cause. Being the first stage of communism, socialism should also be called communism. There is of course a great difference between the present socialist system and the advanced stage of communism. Moreover, we have adopted some social policies which comply with the actual situation. For example, the individual economy is permitted to exist under the condition of putting public ownership in a position of absolute superiority; the individual economy of working people is an appendage and a necessary complement to the socialist economy. These policies are not socialist in nature. For this reason, on the one hand, we should uphold communist thinking and should not turn away from it even a little bit on the ground that certain social policies have been adopted; on the other hand, we should formulate policies under the guidance of communist thinking and in accordance with the actual situation and should not immediately put into practice the policies of the advanced stage of communism just for the sake of upholding communist thinking.

In short, all our members and cadres of the Communist Party must apply communist thinking in observing and dealing with all social problems. Actual life tells us that if we approach and carry out the party's policies under the guidance of communist thinking, we shall come to conditions and results greatly different from those which we may come to if we approach and carry out the party's policies by deviating from communist thinking. To each of our party members and cadres, holding high the banner of communism means using communist thinking to guide and govern their words and deeds. Only thus will it be possible to maintain the communist integrity of our party and guarantee that our party's cause will continue to gain new developments and win new victories.

CSO: 4004/36

RECALLING A LETTER BY MAO ZEDONG

Beijing RED FLAG in Chinese No 10, 16 May 82 pp 7-8

[Article by Ouyang Shan [2962 7122 1472]]

[Text] In April 1944, Yu Xun and I were transferred from the third department of the Central Party School to the Association of Literary and Art Circles of the border area to take up literary writing. Not long afterward, Ding Ling and Chen Ming were also transferred there. Ding Ling and I attended a conference of model collective workers of the border area. In the first coverage of what we had learned, she wrote a documentary article entitled "Tian Baolin" and I wrote a sketch entitled "Life in the New Society," both of which appeared in JIEFANG RIBAO on 30 June. We could never have anticipated that these two short articles, reflecting two short profiles of the life of actual struggle in the border area, which were so crudely written, would actually arouse the interest and attention of Comrade Mao Zedong, who at that time was shouldering the burden of leading the struggle of the whole people. After reading the articles, he immediately wrote us a congratulatory letter and also found time from his heavy schedule to meet us. This spirit of not overlooking anything no matter how trifling for the sake of the people was indeed very touching.

There is no doubt about the importance of the literary sketch. It is terse and forceful, reflects things quickly and is full of militancy as well as having a mass character. Like sketching in painting, it is a basic skill in the activity of creating literature and art which should not be underestimated by those engaged in writing. At present, some of the long, medium-length and short novels have tried their utmost to only piece together stories but have left the personalities of the characters pale and weak. One of the reasons for this is precisely the lack of this basic skill. There were a great deal of sketches during the 1930's and 1940's, and they were welcomed by the masses. Such a politician as Comrade Mao Zedong would of course advocate a certain form of literature beneficial to the people, but he might not necessarily have just had this point in mind.

As for myself, this sketch "Life in the New Society" was written in 1941 after my arrival in Yan'an. It was my first contact with the new society, the new life and the new masters--the workers, peasants, soldiers and masses led by the proletariat. At the same time, it was also my first attempt to use a certain literary form to portray, express and reflect them. It could be described as the first tentative step, exercise or attempt since throwing myself into the heat of the new struggle. Despite the fact that the work was not mature but was very flimsy, it was nevertheless on this major road. Could it be possible that it was precisely on this point and on this point alone that Chairman Mao divided some of his valuable energy to affirm, support and encourage it? I believed that this might be closer to his original intent. In other words, what should be affirmed, supported and encouraged was not this short article itself, but a certain tendency, intent, path and orientation that it displayed. It seemed as if he had earnestly said to me: "Although you are not making much progress, your road is still correct." To have the ability to see such profound significance from such an ordinary piece of writing--how great indeed was Comrade Mao Zedong's breadth of vision!

True, in "Talks at the Yan'an Forum on Literature and Art," he brilliantly delineated a new era of serving the workers, peasants and soldiers for Chinese literature and art. This was something known to everyone. The reason he had been able to point out the orientation of serving the workers, peasants and soldiers was because this concrete fact that workers, peasants and soldiers were the masters of the new society already existed in the new society of that time. Unfortunately, not all the young writers and artists in Yan'an knew this at that time, were in touch with this fact, conscientiously recognized this fact or were moved by this fact. Therefore, they could not eliminate the feeling, which seems extremely ridiculous in today's light, of complaining of no opportunity to use their talent or blaming everyone and everything but themselves. They walked up and down the sole fountainhead of literature and art. I was also one of these young people. Naturally, after participating in the Yan'an forum on literature and art and following the great rectification movement, the situation began to change and I also started to move. No one could have anticipated that after taking the first step I would receive such serious attention and loving care. Each time I thought of Comrade Mao Zedong's letter, I felt a deep force spurring on and encouraging me. I was only afraid that I might not give a good showing or might not produce presentable works for the masters of the new society, and could not help feeling deeply ashamed.

In the last 40 years, a tremendous change has taken place in the actual life of the country. The brilliant idea presented in "Talks at the Yan'an Forum on Literature and Art" has already withstood 40 years of rigorous tests in historical practice and has been confirmed as an immense and mighty truth. At present, it has further developed from the orientation of serving the workers, peasants and soldiers to the even broader orientation of serving the people and serving socialist society.

Although there have been several setbacks in the development and prosperity of Chinese literature and art in the last 40 years, at the same time, they have also borne out the correctness of Mao Zedong's orientation for literature and art. Whenever literary and art works have been under the guidance of this correct orientation, definite achievements have been obtained. They have a certain vitality, are welcomed to a certain extent by the people and play to a certain extent the role of pushing forward the development of actual life. On the other hand, if we adopt the erroneous "leftist" or rightist attitude of opposing, dissociating, avoiding and distorting this correct orientation, we would become devoid of accomplishments, become weak and incompetent, and would ultimately be defeated as well as spurned by the masses and ridiculed by history. The several seething struggles, reflected by such things as giving priority to the main theme, giving prominence to three things and going in for high targets, large in size and complete in everything, absolute freedom, self-expression and egotism, have all suffered ignominous defeat. All these are sufficient to prove the lamentable results of deviating from this correct orientation. Every time I think of Comrade Mao Zedong's letter, all sorts of emotions well up in my mind.

CSO: 4004/36

BE AN HONEST SPOKESMAN OF THE MASSES

Beijing RED FLAG in Chinese No 10, 16 May 82 pp 9-12

[Article by Wei Jianlin [5898 1694 2651]]

[Text]

I

Comrade Mao Zedong's "Talks at the Yan'an Forum on Literature and Art," as a product of combining the general truth of Marxism with the literary and art practice in China, and as a scientific summation of the new literary and art movement in China and literary and art cause led by our party since the May 4 movement, deserves to be called a mature and typical work of Mao Zedong Thought on the problem of literature and art and the first programmatic document on our party's Marxist literary and art theories and policies. This article expounds and proves in a practical way the nature, tasks and orientation of literature and art in China, their social and historical characters, as well as a series of problems and policies connected with them. The great achievements of Chinese revolutionary literature and art over the past few years or so have been made under the guidance of the basic theories and principles put forth in the article.

The relationship between writers and artists and the masses occupies an important position in these basic theories and principles. Comrade Mao Zedong pointed out: We should esteem specialists because they are very valuable to our cause. "But we should tell them that no revolutionary writer or artist can do any meaningful work unless he is closely linked with the masses, gives expression to their thoughts and feelings, and serves them as a loyal spokesman." This demand put forth by Comrade Mao Zedong should become the fundamental stand and starting point of all activities of all revolutionary writers and artists.

Old China was economically and culturally backward. To carry out revolutionary struggle with the ultimate goal of communism in such a country, we need the participation of intellectuals, including writers and artists, at every stage and step. In accordance with the nature, historical tasks and guiding thought of the revolution led by the proletariat, and its profound and extensive development, we make incomparably strict demands on intellectuals. They should become common members of the masses and must be good at consciously understanding, mastering, reflecting and upholding the immediate and long-term interests of the masses and become their faithful representatives ideologically, theoretically and morally.

More than one generation of Chinese writers and artists brought up by the "Talks" have acquired the good tradition of linking themselves closely with the masses. Taking root among the masses, mastering the orientation of literary and art creation through the people's life and struggle, deriving creative power from literature and art, and bringing the role of literature and art into full play were from the beginning important Marxist theories on literature and art. These principles have taken root in the Chinese literary and art movement since the publication of Comrade Mao Zedong's "Talks" and have been systematically, comprehensively and accurately expounded and developed into theories through this article. Over the past 40 years or so, how our writers and artists identify themselves with the masses has determined the ideological and artistic success or failure of every one of their works.

The times and social conditions in which the "Talks" was published were greatly different from those of today. The life and demands of the people and their mutual relations, feelings, ideals and aesthetic purposes have also greatly changed. Those writers and artists who are familiar with the people of the period of the new democratic revolution will not necessarily be able to create excellent works which are warmly welcomed by the people of the socialist era. Those writers and artists who are familiar with the people of the period of the "Great Cultural Revolution" will not necessarily be able to correctly reflect the charming manner and varied spiritual life of the people who are carrying out socialist modernization.

II

During the period of the "Talks" or even nowadays, we might encounter some phenomena that intentionally or unintentionally play down the importance of the masses and break away from them to varying degrees. Comrade Mao Zedong explicitly pointed out: "We must identify ourselves with the new masses without any hesitation." Since the 3d Plenary Session of the 11th CCP Central Committee, our party has resolutely corrected the "leftist" mistakes in guiding thought and hopes that writers and artists will further identify themselves with the masses of the new era. It has adopted a number of effective measures in this respect. Only by integrating with the masses can writers and artists make their ideas constantly conform to the objective reality. The more their ideas conform to objective reality, the more their ideas can represent the masses. Conversely, if the writers and artists are divorced from the masses and reality and only know some concepts from books, they will only be able to write literary works which tend to formularize and generalize even if their concepts are correct. This is because they will not be able to fuse these concepts with their experience in life. Although these works portray the lofty images of characters, it is difficult for them to affect the readers and touch their souls because they lack, after all, the rich flavor of life and artistic charm. In works like this, it is better to say that writers and artists purely regard the images of characters as a bugle call rather than to say that the writers and artists are the faithful representatives of the masses. At the same time, if writers and artists consider themselves superior to the masses, they will go astray. For example, they will seek so-called "self-expression," which is disconnected from the process of socialist modernization and the practice of the masses. They will also completely separate popularization from the raising of standards, saying that they would rather write "Spring Snow" for a small number of people than "Song of the Rustic Poor" for the broad masses of people. They will negate the correct slogan of "going deeply among workers, peasants and soldiers" by using the argument that intellectuals have become part of the working class. They will also be content to be familiar with a small number of the masses and will be unwilling to lay a broader foundation of life. Frankly speaking, if these writers and artists do not change their minds, it will be difficult for them to become honest spokesmen of the masses.

Following are two problems that are closely related:

1. With regard to writers and artists, even if they have a wide range of life and acquire profound social and historical knowledge and are completely familiar with historical facts, the vividness of their descriptions cannot be compared with reality itself. In other words, not all people of the different classes, strata and groups of society of different ages, sex, occupation and experience can be equally depicted by writers and artists with the same ideological and artistic skills. A writer or artist might be more familiar with this or that part of the masses, or somewhat or completely unfamiliar with the rest of the people. Such instances have frequently occurred in the history of literature and art. Therefore, in accordance with their personal experiences accumulated in life, writers and artists should concentrate their efforts on describing the life of a part of the masses in one or several of their works or in a certain period or in most of the creative activities in their life. We should not blame them, because this will often become one of the conditions for establishing a unique style. In recent years, we have had a number of writers and artists who are fairly familiar with the life of workers and peasants or intellectuals. At the same time, we should also realize that if our writers and artists do not lay a broader foundation for their creative works and fail to master a certain aspect in life based on historical movements and broad social contacts, and if they remain content to "dig a well" in their personal narrow field of vision, it will be difficult to ensure that there will be an inexhaustible supply of water in their deep well and that they will successfully depict distinctive and appealing figures throbbing with the pulse of our times based on their many-sided and flesh-and-blood contacts with practical life. Under such circumstances, even if they are familiar with the subject matter of literary works, they might not be able to fully and effectively use it. Going deeply among workers, peasants and soldiers does not mean that writers and artists should not be especially familiar with a certain subject matter and that they are not allowed to depict anyone except workers, peasants or soldiers. Going deeply among workers, peasants and soldiers, first of all, means that writers and artists should think highly of the majority of laboring people in society, that they should not forget their interests and demands, and that they

should not depict other masses in an isolated way without keeping the majority of people in mind. Writers and artists should not confine themselves to a never-changing field. They should constantly open up new fields for their creations and continuously dig new and deep wells. All this should be done by writers and artists themselves. At the same time, this is also an unavoidable demand put on them by the development of the literary and art cause.

2. The common and fundamental interests of the people of various nationalities in our country are to attain the magnificent goal of socialist modernization under the leadership of the Communist Party. Our writers and artists may select this or that kind of subject matter and depict this or that segment of the masses. However, they are not allowed to abuse their freedom of creation by disregarding these fundamental interests and goals. Marxists always oppose the idea of regarding the masses as an "entity" without the slightest differences or inner contradictions and struggles. Even in the socialist society, this Marxist viewpoint is still of guiding significance. Some of the masses are advanced, and others are in an intermediate or backward state. Writers and artists should not downgrade themselves to the level of the masses who are in an intermediate or backward state. When depicting peasants, if they only take delight in talking about the selfish ideas of certain peasants or persist in appreciating the aloofness and arrogançe of certain intellectuals without using literary and art means to help them raise their consciousness and make progress, these writers and artists will be far from meeting the historical demands of the broad masses of people, including the above-mentioned people.

III

There is a misunderstanding: It seems that once we stress that writers and artists must become honest spokesmen of the masses, we will, or are liable to, obliterate individual characters in their creations. This view is wrong, because people with this view fail to realize the close and dialectical relationship between the healthy and creative work of writers and artists and their status of being honest spokesmen of the masses.

All fair-minded writers and artists devoted to their work have done their best to reflect the demands of the masses of their own times and strived to create individual characters in their literary works. Their achievements and historical positions have been determined by their efforts in these two aspects. The establishment of the socialist system, the guiding position of Marxist ideology, the coincidence of the basic interests of writers, artists with those of the broadest masses of people, and the development of literary and art history itself have provided writers and artists with unprecedented and mature conditions so that they are able to combine and unify their efforts in the above-mentioned aspects of their creations. The socialist reality, the historical and creative activities of the masses for the victory of the socialist cause, and their constantly increasing and rich spiritual life have helped writers and artists to open up a vast field for the development of individual characters in artistic creation and have also put strict demands on them. The bourgeoisie has done everything possible to slander socialism as obliterating individual characters. The "Communist Manifesto" replies to them in this way: "By individual you mean no other person than the bourgeoisie, than the middle-class owner of property." While sternly repudiating dogmatism, Comrade Mao Zedong pointed out: Marxism resolutely destroys creative moods that are feudal, bourgeois, petit-bourgeois, liberalistic, individualist, nihilist, art-for-art's sake, aristocratic, decadent or pessimistic and every other creative mood that is alien to the masses of people and to the proletariat. The tremendous constructive force of socialism and Marxism lies in its efforts to bring up new people and establish new characters, new social relationships, new moral concepts and new aesthetic objectives based on public ownership. This enables writers and artists to truly attain a solid and practical basis to develop individual characters in their creations, a scientific cognitive base and a correct historical orientation. In other words, being an honest spokesman in socialist literature and art means that writers and artists should constantly enhance their own artistic accomplishment and power of artistic revelation. By so doing, they will continuously develop and enrich the specific characters in their creations. Lenin said that over-simplified methods of repudiating individual creations and individual tastes, and mechanically advocating egalitarianism, uniformity and the practice of the minority being subordinate to the majority will eventually separate writers and artists from the masses. However, there is another aspect to the problem. In other words, we are not allowed to raise the issue of individual characters in creations if we depart from the basic principle of being an honest spokesman of the masses. A writer was correct when he said: Writers should regard themselves as the "Echo Wall" of the world and dissolve themselves in society and the masses. If they are always preoccupied with their studies and rely on the weak sparks of inspiration which they themselves have struck, their thinking will dry up and their sparks of inspiration will die out. In our times, if a writer or artist is unwilling to be an honest spokesman of the masses and madly clings to individual characters for his creations, which practice runs counter to the interests of the masses, it is unimaginable that he can create works which are recognized by society and which have an active influence on the practical life of the masses. In his "Talks," Comrade Mao Zedong failed to pay sufficient attention to the problem of individual characters in literary and art creation. This had an adverse effect on the development of literature and art during a certain period of time. However, his inference concerning the relationship between literature and art and the people's life, the relationship between popularization and the raising of standards, the problem of truthfulness and artistic quality of literature and art is very enlightening in finding a correct and overall solution to this problem. Writers and artists should become honest spokesmen of the masses. At the same time, they should develop individual characters in their creations. The organic integration of their efforts devoted to these two aspects is not only a condensation of the basic experience and lessons of the development of modern literature and art in our country but also a historical characteristic of socialist literature and art. This is where the vitality of our literature and art lies, the vitality which promotes its healthy development and increasing enrichment.

IV

We should follow the slogan that literature and art should serve the people and society, which was put forth in accordance with the spirit of the third plenary session. This slogan has been proved correct and has been wholeheartedly supported by the broad masses of writers, artists and people of the whole country. One of the substantial aspects of this slogan is that writers and artists should be honest spokesmen of the masses. In our times, the fate of the people is closely connected with socialism. Without socialism, there will be no happiness or prospects for the people. Therefore, literature and art that serve socialism also serve the people. Literature and art that serve the people can, in turn, be nothing but literature and art that serve socialism. If literary and art works depart from the socialist road, people will have a sufficient reason to discard them. If literature and art no longer serve the people, this means that their socialist nature has completely changed.

The reason we discuss the mutual relations of the two aspects of the slogan is that in practice some people have separated them to varying degrees and are not good at mastering their identity. There were some literary works which were harmful to the consolidation and development of the socialist system and ran counter to the morals and habits of socialism under the signboard of "pleading on the people's behalf." We should know that under the new historical conditions, if we depart from the socialist road, we will completely violate the interests of the people. If we put the laurel of "affility with the people" on literary works which harm socialism, we will only distort and insult our people. Only by acquiring a Marxist world outlook and making great efforts so that their literary works conform to principle of the party spirit can writers and artists faithfully represent the people. For a long time in the past, we used the concept of "affinity with the people" in literature and art to explain certain literary and art phenomena. It was understandable for us to do so. However, we should on no account regard it as a principle of socialist literature and science. Socialist literature and art can only be guided by the Marxist world outlook and reflect the historical process in which human society will inevitably march toward socialism. This kind of literature and art is also in accord with the principle of the party spirit of working class literature and art, and is a concentrated and generalized manifestation of the advanced nature of the working class. In a socialist society, there is no such thing as an affinity with the people which departs from the party spirit or a so-called art and literature representing the people which runs counter to the party spirit. Comrade Mao Zedong said: "China's new culture at the present stage is an anti-imperialist, antifeudal culture of the masses of people under the leadership of the proletariat. Today, anything that is truly of the masses must necessarily be led by the proletariat. Whatever is under the leadership of the bourgeoisie cannot possibly be of the masses. Naturally, the same applies to the new literature and art which are part of the new culture." To serve the people, literature and art should take the standpoint of the proletariat. To socialist writers and artists who are determined to be honest spokesmen of the masses, this is the motto they should bear in mind all their life.

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ON EULOGY AND EXPOSURE

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[Article by Ding Zhenhai [0002 2182 3189]]

[Text] Eulogy and exposure in literature and art is an old problem and also a new one. The new historical situation has infused it with new content and imposed new demands on it. Correctly understanding and handling the relationship between eulogy and exposure in the course of molding our thinking on literature and art and in literary and artistic creation will play an extremely important role in bringing about greater prosperity in socialist literature and art.

Literature and art in any era and of any class is a kind of spiritual creative activity which greatly affects the social life of mankind. It performs the two social functions of eulogy and exposure. The theory of Chinese classical literature always stressed "praise" and "satire," which actually meant eulogy and exposure. Gorky said: "The nature of art is the struggle between approval and opposition. There is no, and cannot possibly be, art that is indifferent." Eulogy and exposure supplement each other, and neither is indispensable. This also applies to proletarian literature and art. Comrade Mao Zedong pointed out clearly: "All reactionary forces harmful to the people must be exposed and all revolutionary struggles of the people must be eulogized. This is the fundamental task of revolutionary writers and artists." Here, it must be pointed out emphatically that the nature and scope of the two social functions of literature and art vary greatly in different historical periods and under different social systems.

Marxists hold that the various social systems which appeared one after another in human history based their existence on certain historical conditions, and they comprised the stages of emergence, development and withering. During the period of development, there emerged some valuable literary and artistic works which mainly played the role of eulogy and conformed to the social system. However, no matter how different they were in form, the various social systems which existed in recorded history prior to the establishment of the socialist system had one basic point in common, that is, the exploitation and oppression of the majority by the minority. For this reason, even during the period of development of the social systems, the writers and artists who sided with the exploited classes and sympathized with them would express their discontent with the times and the society through their literary and artistic creations. With the decline and decay of the system of exploitation, the function of exposure performed by literature and art became more and more important, and laying emphasis on exposure become the main stream of progressive literature and art. No matter whether the writers and artists were aware of it or not, their works objectively played the role of denouncing the things which impeded the advance of history, arousing people's discontent with the system of exploitation and the realities in society, and stimulating the people to cherish the ideas and perform the deeds of changing the realities. Therefore, they had progressive historical significance.

The conditions for literature and art are different during the socialist period. The socialist period is an unprecedented, new historical period during which exploitation has been wiped out and the people are the masters of their country. The newborn, beautiful things have occupied a more and more prominent position in daily life. The development of realities in society have opened up boundlessly wide prospects for the people. For this reason, as an important mark of progressive literature and art in the past centuries, the characteristic of being antagonistic to the times will invariably be replaced by a new type of relationship between literature and art on one side and the times on the other. As a whole, emphasis is put on eulogy and "portrayal of the bright side." This is an invariable historic change, brought about by the fundamental nature of the socialist system, to literature and art. The viewpoints which hold that "writers and poets are discontented with the times in which they live" and that in revolutionary literature and art, eulogy and exposure "are equal in proportion" and "are on a par" are undoubtedly groundless in fact and in theory. It is certainly untrue to say that the socialist society is a paradise where there is only happiness and brightness and there is no sorrow and darkness. Brightness and darkness are correlative. Lenin cited Hegels' words: "In pure brightness, as in pure darkness, you can see nothing clearly." These words explain very clearly the dialectical relationship between brightness and darkness. During the socialist period, compared with the former times, brightness and darkness have exchanged positions but there is still the dark side. Moreover, as a thoroughgoing materialist class, the proletariat should be more adept in using literature and art as a weapon to expose and denounce all decadent and backward things, so as to continuously clear its road of advance. In this sense, the party and the people affirmed the great number of revelatory works which appeared after the downfall of the "gang of four" and which portrayed the widening of the scope of the attack on rightists, the "struggle against rightist deviations" and the decade-long turmoil. Comrade Hu Qiaomu pointed out in his article entitled "Several Current Questions on the Ideological Front," that "it is natural that a great number of works on this theme have appeared in the past few years. The overwhelming majority of writers created these works out of their sense of responsibility to history and the people and out of their revolutionary fervor. On the whole, these works are beneficial and play a positive role in gaining a clear understanding of history, criticizing the 'leftist' errors, exposing the crimes of the Lin Biao and Jiang Qing counterrevolutionary cliques and portraying the brave fights put up by the party members and the masses who took a correct stand." However, it should also be seen that the emergence of the great number of revelatory works in the past few years is only a short-lived, special historical phenomenon. The reason is that, in the long historical course of socialist revolution and construction, the widening of the scope of the attack on rightists, the mistake of the "struggle against rightist deviations" and even the decade-long turmoil and other comprehensive, long-drawn-out and grave "leftist" blunders are only short-lived episodes and backwash. They cannot change the basic fact that, on the whole, the bright side is greater than the dark side. While affirming the ideological significance and social function of these revelatory works and putting them in an appropriate historical position, we should not forget the still more important task and function of socialist literature and art, that is, "all revolutionary struggles of the people must be eulogized." Moreover, the wheel of history is rolling forward speedily. Countless facts since the 3d Plenary Session of the 11th CCP Central Committee have eloquently proved that our party has all the abilities to rely on the superiority of the socialist system and its own strength to correct the past mistakes and to get back onto the path to healthy development. The important purpose of the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" adopted by the 6th Plenary Session of the 11th CCP Central Committee was to bid farewell to the past mistakes so that the whole party and the people of the whole country would work concertedly to build their socialist country. As a matter of fact, scenes of people fighting to build a new life for themselves are being unfolded ever more vigorously and spectacularly before our writers and artists. In the face of the new situation and new prospects, if they are given excessively to sad memories and feelings of the past, their wide field of vision will be dimmed by their bewilderment and they will be unable to correctly understand and reflect the new look of the people's militant life during the new period. They will be unable to make literature and art play the glorious role as an advocate of the times and a guide of everyday life. Precisely for this reason, in his speech Comrade Hu Qiaomu time and again expressed "the hope that writers and artists all over the country will shift the focus of their creative activities to the current struggle of building a new life for the people."

Correctly solving the question of shifting the focus of current literary and artistic creation will inevitably involve the selection and expression of subject matter. The "gang of four" wantonly criticized the "opposition to the theory that 'subject matter is the decisive matter.'" It mapped out various "forbidden zones" of subject matter, thereby not only fettering the the writers but also negating the role played by a writer's world outlook in guiding his creation (we may as well leave alone the special meaning of what they called "important subject matter"). Is it, on the other hand, correct to say that "subject matter does not make any difference"? No, it is incorrect. The reason is that the various things, personalities and phenomena in everyday life are different in social nature and have different objective meanings. They occupy different positions and play different roles in social life. Reflected in literary and artistic works, they naturally will have different ideological contents and aesthetic values. In the socialist period, newborn and progressive things always express more directly the nature of society and the trends of historical development. For this reason, generally speaking, if the ideological and artistic levels remain unchanged, subject matter reflecting seething new life has greater social significance than other subject matter which reflects the passive aspects of society. It creates greater possibilities for the writer to reveal the nature of social life as a whole and the stirring scenes of the times. Subject matter involving the widening of the scope of the attack on rightists, the "struggle against rightist deviations" and the decade-long turmoil will certainly have unique ideological value and educational meaning if the writers depict them by standing on a high plane. However, compared with other subject matter reflecting the new struggle to realize socialist modernization, this subject matter has limited content and therefore cannot fulfill the tasks of directly reflecting the new times and eulogizing the new personalities. Furthermore, if the works on this subject matter form the main stream of literary and artistic creation and long prevail in the sphere of literature and art during the new period, then our literature and art cannot reflect very well the nature and full view of social life in the new period of socialist construction. Neither will they conform with the spiritual needs of the people fighting bravely to build a powerful modern socialist country. Comrade Hu Yaobang pointed out in his "Speech at the Forum on Playwriting" that "generally speaking, if literature and art only or always reflect the backward and dark aspects, I feel that they cannot fully and accurately reflect the nature of our society and will not conform with the facts of society as a whole." Applying the basic principles of historical materialism and proceeding from the interrelationship between the general outlook of socialist literature and art and the facts of socialist society as a whole, this thesis has elucidated the important meaning of the progressive, bright things in our society.

Of course, the selection of subject matter is not the most important thing in determining whether a piece of literary and artistic work is successful. A more important thing is whether the ideological contents and aesthetic values of the subject matter have been fully revealed and raised to a higher level. "Be strict in selecting subject matter"--this is of course an important link. But the key is that "the subject matter must be revealed to a great depth." Lu Xun said this very well: "In my opinion, the basic question is whether the author is a 'revolutionary.' If he is, his writing is 'revolutionary literature,' whatever incident he portrays and whatever material he uses." In a speech on the conditions and questions concerning literary and artistic creation in the past few years, Comrade Hu Qiaomu specifically expounded the decisive role played by the correct stand and world outlook of writers and artists in depicting subject matter of various kinds.

First, being a socialist writer, it is necessary to "uphold the correct stand" and produce works "with a high sense of responsibility toward history and the people." The practice in literary and artistic creation over the past few years shows that when a writer or an artist produces his works with a sense of responsibility toward socialism, whether he eulogizes or exposes things, his works can directly or indirectly play an active role in promoting the unity of the whole party, the whole army and the people of all nationalities in the modernization drive. On the contrary, if he does not uphold a correct stand, does not cherish a correct feeling or just produces literary works for private gain, no matter what he has written, either "what a splendid scene it is with the water flowing in the river, with the beautiful lotus in the green ponds and with the bright sun shining high above in the sky" under the pretext of "eulogy," or "being infatuated with pretty girls" and "being sunk in deep thought on their charming smiles" under the pretext of "exposure," his work has departed from the socialist road. There are still other writers who really want to "serve the nation and the people" and have expressed in their works the strong feeling of detesting the dark side of the world. However, as they are not armed with Marxist ideology, they are unable to criticize the unhealthy practices from the higher plane of scientific socialism and the proletarian party spirit. Instead, they criticize them by means of wrong methods, such as, "combating poison with poison" and "combating errors with errors." As a result, while combating unhealthy tendencies such as privilege and bureaucratism, some other unhealthy ideologies and practices, such as individualism, nihilism and anarchism, are propagated intentionally or unintentionally. There obviously exists contradictions between the writers' intentions in creation and the actual results of their literary works. All this shows that a correct stand or world outlook is essential for finding a fundamental solution to the problem of eulogy and exposure.

Second, it is necessary for a socialist writer to uphold dialectical materialism in observing and reflecting our real life and to oppose metaphysics. Of course, when writing about the construction of the new life, emphasis should be put on the depiction of the epic deeds of the hundreds of millions of people in advancing toward socialist modernization and on the eulogizing of the pioneers of the new era. But this depiction or eulogy does not mean evading difficulties, contradictions and struggles in real life. We advocate the depiction of socialist new people in the new period of socialism. This has nothing in common with the theory of "no conflicts" which appeared in the literary and art work several times in the past. Moreover, we must point out that what we are undertaking now, in the realization of the socialist modernizations, is an unprecedentedly great and profound revolution. In order to build a high degree of socialist material and spiritual civilization, we must not only transform and conquer nature in an unprecedented fighting manner, but also penetratingly carry out reforms in the economic, political, ideological and cultural fields as well as in all spheres of the social life. We must not only continue to clear away the remnants of feudal ideology, but must also guard against and resist corruption by bourgeois ideology. On our road of advance, there are contradictions and struggles everywhere and every step of our advance is a great effort. Those "no conflict" works cannot truly and penetratingly reflect our socialist new period and will be proved to be short of artistic vitality. This is just as Comrade Hu Qiaomu said: "We hope our writers will lay more stress on depicting the present struggles of the people in building their new life. However, this does not mean advocating the eulogy of peace and ease of our life, still less does it mean advocating sentimental works. In the past, at present and in the future, the road to building a new life has always been and will continue to be uneven. This is a very complicated, arduous and great struggle which concerns every aspect of the people's life and will go on for a long period of time. Only by conquering various difficulties and obstacles in the human world and in nature can it advance forward. The true, the good and the beautiful exist in opposition to the false, the bad and the ugly and develop in the struggle against them. Therefore, in the narrative works, which are comparatively more complicated, eulogy and exposure usually, and inevitably, appear at the same time. (This refers to the interrelationship between the former and the latter, and does not mean that the role of literature and art is limited to eulogy and exposure.)" Whether in modern or ancient times, in China or elsewhere, the development of literature and art shows that in good literary and artistic works, which depict social life more penetratingly and extensively and have more artistic charm, eulogy and exposure are generally more closely combined. The famous Chinese classics, such as the "Romance of the Three Kingdoms," "Water Margin," "The Dream of the Red Chamber," the "Western Chamber," "The Mudan Pavilion" and so forth, and the foreign classics, such as the works of Balzac, Hugo, Tolstoy, Chekhov and Romain Rolland, are good examples of this. In recent years, some modern novels depicting the construction of industrial modernization, such as "Factory Manager Qiao's Assumption of Office," "Thirty Million" and "Descendent of the Dragon," are also inspiring and have made a deep impression on readers. This is because the characters of the pioneers in the new period, whom the writers have portrayed and eulogized with concentrated effort, were placed in conflict situations of complicated contradictions and in the struggles against various conventional ideas and conservative forces which obstruct the advance of the modernization drive. They have comparatively more truly reflected the profoundness and arduousness of the recent economic reforms. In these works, which reflect the struggles in the building of a new life, eulogy and exposure are better connected. We must affirm the successful experience of these works.

When creating literary and artistic works to reflect the socialist construction in the new period, while laying stress on eulogy, the writers must also pay attention to the depiction of contradictions and struggles as well as shortcomings and disadvantages. They must avoid merely singing the praises of the bright side. On the other hand, when creating works to expose the mistakes in magnifying the scope of the antirightist struggle, and mistakes in the struggle against right deviation and in the 10 years of disorder, it is all the more necessary to avoid writing about the dark side only. Otherwise, the organic unity of eulogy and exposure will be damaged and one-sidedness will occur. As a matter of fact, even during the 10 years of disorder, when the party and the people were suffering from the greatest disaster since liberation, there still widely existed positive and good things in our life. Within the party or among the people, the struggle against the Lin Biao and Jiang Qing counterrevolutionary cliques and the struggle to resist the "leftist" errors never stopped. Just as was pointed out in the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC": "The party, the people's political power, the people's army and the nature of our society have remained unchanged." Unfortunately, in a number of literary and artistic works which have stressed exposure and depicted the happenings in the 10 years of disorder, these extremely important and abundant aspects in our social history were not reflected or were not fully reflected. In other words, in these works, exposure is not dialectically related with eulogy. No wonder they are dull and have a low ideological level. Some of them have even produced bad social results due to the mistakes in ideology and art.

In his speech, Comrade Hu Qiaomu particularly pointed out that when taking the dark side of things in history or in our real life as the main theme, "it is necessary to take the overall situation, the mainstream and the future into consideration" and "take a positive attitude toward the future of the party and the people and the future of socialist China." This requires our writers and artists to adopt the principle of revolutionary realism in their creative work and relate the depiction of reality with its revolutionary development, relate the depiction of the dark side of things with the overall situation of the entire society and connections in history, and expose the "illegality" and "temporary nature" of the existence and rampancy of the bad things and the historical inevitability of their being replaced by bright and progressive things. As the dark side of things and the decadent forces are minor aspects in the history of socialist revolution and socialist construction, their existence and development are always restricted by the overall situation of social life and are influenced by the bright side of things and the revolutionary forces, which are in the dominant position. Therefore, when we faithfully and penetratingly depict how the dark side of things and decadent forces are restricted and influenced by the bright side of things and the revolutionary forces and how they are related with other things, we can also bring to light the trend of development in society through the development and changes in the dark side of things. At the same time, the writers and artists can also express their correct social mentality and aesthetic standards through exposing and criticizing these ugly things. Thus, even when a tragedy is written, it can also give people strength; even when the "exposure of darkness" is taken as the theme, it still can point out a correct road for the people, display a bright future and boost people's courage and heighten their confidence on the road of advance.

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THE FOUR BASIC PRINCIPLES REPRESENT THE FUNDAMENTAL GUIDING IDEOLOGY IN REVISING THE CONSTITUTION

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[Article by Lin Liangqi [2651 5328 8501]]

[Text] Every country always follows fixed principles or a guiding ideology in formulating or revising its constitution. This goes without saying. What is the fundamental guiding ideology for "the draft of the revised constitution of the People's Republic of China" that the 23d Session of the 5th NPC Standing Committee decided to promulgate? In the preamble of the constitution, it was clearly pointed out: "Under the leadership of the Chinese Communist Party and under the guidance of Marxism-Leninism-Mao Zedong Thought, the Chinese people will continue to uphold the people's democratic dictatorship, to uphold the socialist road, to improve various socialist systems, to develop socialist democracy, to round out the socialist legal system, to seek rejuvenation through self-reliance, to fight amid hardship, and to gradually build our country into a highly democratic and highly civilized socialist country with modernized industry, modernized agriculture, modernized national defense and modernized science and technology." The four opening lines here, or the four basic principles represent the fundamental guiding ideology followed in revising the constitution this time, and also the basic principles that our country must follow.

The four basic principles put forth are not the subjective wish of any individual. Instead, they represent the sum of the experiences of our people in a long period of revolutionary struggle under the leadership of the party and are the embodiment of objective laws governing the development of the history of our country. The "draft of the revised constitution" points out: "After 1840 feudal China gradually shaped up into a semicolonial and semifeudal country. The Chinese people kept fighting in a brave struggle for national independence, for national liberation and for democratic freedom." For over 100 years, on the scene of Chinese political struggle, various political forces successively staged their own performances and showed their own powers, to different degrees. Men of insight bent on reform put forth various programs to save the country and the people. Some called for the conduct of education to enlighten the people. Some urged the advocation of science to save the country. Some also called for the use of force to overthrow tyrants. Of all the ideas advanced, there was really no lack of relatively good ones. But before Marxism-Leninism reached China and before the birth of the Chinese Communist Party, there was not an idea that could show us a fundamental road to thorough liberation for the Chinese people. Given the conditions of China, only socialism was capable of arousing the revolutionary enthusiasm of the masses of hardworking people. Only by using the Communist Party, the vanguard of the proletariat armed with Marxism-Leninism, could we organize the proletariat and all the people in waging a thorough anti-imperialist and antifeudal struggle. Only in this way could we, after the victory of the democratic revolution, immediately lead China toward socialism. Such was the fact. Once Marxism-Leninism reached China and the Chinese Communist Party appeared on the Chinese political scene, a turn of the tide came in the Chinese revolution. With its correct revolutionary program, the Chinese Communist Party won the support and trust of people of all walks of life in the country. A new situation appeared in the revolution. Just as the "Resolution on Certain Questions in the History of the Party Since the Founding of the PRC" adopted at the 6th Plenary Session of the 11th CCP Central Committee pointed out: "The then Kuomintang, or other bourgeois and petit bourgeois political factions, did not and could not possibly find a way out for the country and the people. Only the Chinese Communist Party showed the people the way out for China. The way out was to thoroughly overthrow imperialist and feudalist reactionary rule and switch over to socialism." History of over 100 years has proved an imperishable truth: The four basic principles, which accord with the desire of several generations of people in China and reflect the laws of historical development independent of human will, are a fundamental guarantee for the Chinese people's turning our state into a highly democratic and highly civilized powerful and modern socialist country. Therefore, in formulating and revising the constitution, we can in no way deviate from the four basic principles. Whether we uphold or oppose the four basic principles and whether we uphold them properly--this concerns the nature and orientation of development of the state's political, economic and cultural systems, concerns the relations among various classes, among various nationalities and among various political forces of the state, and also concerns the role, effectiveness and dignity of the constitution itself. In this regard, we have both positive and negative experiences for reference.

Since the founding of the PRC, we have promulgated three constitutions. The 1954 constitution was a relatively good one. 1) It summed up and affirmed the experiences of the new democratic revolution led by the Chinese Communist Party and consolidated the results of the revolution of our people and the new victories scored in the political and economic fields since the founding of the PRC. 2) It prescribed the state system of the People's Republic of China as "a people's democratic state led by the working class and based on the worker-peasant alliance." 3) Based on the principle of integrating Marxism-Leninism with the practice of China, it objectively analyzed the main contradictions in Chinese society and put forth the main tasks for the transitional period of the state in light of the fundamental demands during the transitional period of the state and the common wishes of the masses of people in building socialism. The main tasks called for "gradually realizing the socialist industrialization of the state and gradually accomplishing the socialist transformation of agriculture, handicrafts and capitalist industry and commerce." In a word, the 1954 constitution embodied four basic principles, defined a socialist road compatible with the features of China, ensured the smooth socialist transformation of the system of private ownership of the means of production, stimulated the development of industry, agriculture and the whole national economy, and laid a material foundation for our modernization effort today.

The constitution promulgated in 1975 during the "Great Cultural Revolution" abandoned some basic principles of the 1954 constitution and embodied the guiding ideology of so-called "continuous revolution under the dictatorship of the proletariat." The main problems with this constitution were: 1) It affirmed wrong "leftist" viewpoints--which clearly deviated from the orbit of Mao Zedong Thought--as Marxism-Leninism-Mao Zedong Thought, thus creating confusion about the guiding ideology for the whole country. 2) Contradictions of two different types were seriously confused. The dictatorship of the proletariat was interpreted as "overall dictatorship." The article, "The Proletariat Must Exercise Overall Dictatorship Over the Bourgeoisie in the Superstructure Covering All Fields of Culture," was put forth, undermining socialist democracy. 3) The "leftist" economic policy was used to replace the socialist economic policy consistently upheld by our country. 4) Regional revolutionary committees at various levels practicing the party's "centralized leadership" were affirmed, creating a chaotic state in which the party was not separated from the government in the state system and the latter was replaced by the former. The party was thus turned from a leader in the social and political life of the state into something that directly interferes and that directly takes charge. This constitution put in the form of law many erroneous theories and erroneous practices related to the "Great Cultural Revolution," causing damage to the state in the political, economic and cultural fields and providing a handful of careerists and conspirators with a legal basis for usurping party and state leadership. After the 4th NPC, the forces of the "gang of four" counterrevolutionary conspiratorial group were strengthened not only in the party but in the government, not only at central but at regional levels. This was a serious consequence of the 1975 constitution, which negated the 1954 constitution, which deviated from the four basic principles and which followed wrong guiding ideology.

The 1978 constitution was formulated after the downfall of the "gang of four." But due to the limitations of the then prevailing historical factors, it failed to give up the erroneous theories, policies and slogans embodied in the 1975 constitution. Though some ingredients of the four modernizations program were added to it as guiding ideology, the theory of "continuous revolution under the dictatorship of the proletariat" remained as its basis. It is clear that this constitution has in many places become incompatible with the needs of our political and economic life and the needs of the building of a modern state and must be revised.

Different guiding ideas produce different constitutions and different consequences and effects in state political life. The 1954 constitution embodied in a relatively satisfactory way the four basic principles and accorded with the interests and aspirations of the people of the whole country. It won the wholehearted support of the people of the whole country and gave full expression to the dignity of the constitution. The later two constitutions, and the 1975 one in particular, impaired the dignity of the constitution, due to their being divorced from the four basic principles, to different degrees. We must seriously take this as a profound lesson.

The 3d Plenary Session of the 11th CCP Central Committee marked an end to the situation of party work advancing in a period of hesitation and indecision and the beginning of an overall and serious rectification of "leftist" mistakes noticed during the "Great Cultural Revolution" and before. The 6th Plenary Session of the 11th CCP Central Committee adopted the "Resolution on Certain Questions in the History of the Party Since the Founding of the PRC" and reaffirmed the need to continuously uphold the four basic principles. This paved the way for our revising the constitution and putting the business of revising the constitution again on a very reliable and solid foundation.

We know that in upholding the four basic principles, the most important thing is to adhere to the two calling for the socialist road and party leadership. Upholding the socialist road and upholding party leadership are two aspects of one thing. In upholding the socialist road, we must uphold party leadership. Whether we have upheld party leadership, or whether we have done this well depends on whether we have upheld the socialist road. In the articles in the 1975 constitution and the 1978 constitution (especially the former), there appeared many terms about "party leadership" and "socialism." But prompted by erroneous guiding ideology, these articles were permeated with the erroneous theory of "continuous revolution under the dictatorship of the proletariat." This basically violated the rights of the people and undermined the foundation of the people's democratic dictatorship, confronting us with the danger of our country's deviating from the socialist road in political, economic, cultural and other fields. This actually weakened the party's leading position in state life, basically running counter to the four basic principles. Now, though the "draft of the revised constitution" just mentions the four basic principles in its preamble, it has clearly defined our socialist system and people's democratic dictatorship as the state's fundamental system. Based on this system, it has prescribed our economic system and cultural system, set forth criteria for the proper handling of relations among various political bodies, among various mass organizations and among various nationalities and stipulated the composition of people's congresses and people's governments at all levels. This enables the spirit of the fundamental state system to run through all the articles in the "draft of the revised constitution" and forms the basis for the formulation of all other systems, ensuring that the political life, economic life and cultural life of the state always advance along a socialist orbit. Meanwhile, the draft has drawn lessons from the 1975 and 1978 constitutions. In line with the "resolution" of the 6th Plenary Session of the 11th CCP Central Committee and with the spirit of the party Central Committee's instructions on the reform of state organs, it has put forth reform measures for separating the party from the government and defined the premier responsibility system of the State Council, the responsibility system involving ministers and the various forms of socialist responsibility. In the form of general laws, this has affirmed the results of the reform of state organs and the economic system, allowing the improvement and strengthening of the party's leading position in state life.

The "draft of the revised constitution" clearly stipulates that the Chinese people will uphold the four basic principles. This means that every citizen of the People's Republic of China must uphold the four basic principles. These principles cannot be deviated from or abandoned, still less opposed. If anyone opposes the upholding of the four basic principles as the guiding ideology for our country and even brings in guiding ideology of any kind then he has acted against the laws of historical development and against the will of the whole people.

The party has led the people in formulating the constitution. The party will also lead the people in observing the constitution. Once the constitution is approved, all citizens, public organizations, units, and parties and groups, including the Chinese Communist Party, must observe it. Every member of the Chinese Communist Party is not only a member of the party organizations but also a citizen of the People's Republic of China. Like every citizen, he must do his part in observing the constitution. In this regard, no Communist Party member should be allowed to be a privileged citizen. Whether a Communist Party member upholds the four basic principles depends on whether he really observes the constitution and consciously upholds the dignity of the constitution.

Upholding the four basic principles is the fundamental guiding ideology for the current revision of the constitution. They should also become the guiding ideology for the launching of an all-people campaign to discuss the "draft of the revised constitution." Every citizen of the country must take this guiding ideology as a basis, air his own views on the revision of the constitution, and speak freely, enabling the four basic principles to be better embodied in the constitution as guiding ideology.

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THE PEOPLE'S CONGRESS SYSTEM IS OUR COUNTRY'S BASIC POLITICAL SYSTEM

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[Article by Wang Shuwen [3769 0647 2426]]

[Text] In light of the historical experience in building political power in our country and based on the needs of the construction of the four modernizations, the 6th Plenary Session of the 11th CCP Central Committee laid down a guideline in the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC." This guideline made it clear that "it is necessary to strengthen the building of state organs at all levels in accordance with the principle of democratic centralism, make the people's congresses at all levels and their permanent organs authoritative organs of the people's political power, gradually realize direct popular participation in the democratic process at the grassroots of political power and community life and, in particular, stress democratic management by the working masses in urban and rural enterprises over the affairs of their establishments." In accordance with this basic spirit, great importance has been attached to the strengthening and amplification of the system of people's congress, and many new and important stipulations have been made in the revised draft of the constitution of the PRC. In this new revised draft, we can find many considerable amendments to the 1978 constitution, as well as some remarkable improvements of the 1954 constitution.

The Stipulations Concerning the People's Congress System in the Revised Draft Give Free Rein to the Principle of Democratic Centralism

Democratic centralism is the basic principle to be constantly adhered to in the political system of a socialist country, as well as the hallmark distinguishing the latter from the political systems of all exploiting class states. Based on the summarization of the Paris Commune experience, Marx expounded long ago, in "The Civil War in France," the basic principles of the political system of a proletarian state. He said, "The commune was formed of the municipal councillors, chosen by universal suffrage in the various wards of the town, responsible and revocable at short terms. The majority of its members were naturally working men, or acknowledged representatives of the working class. The commune was to be a working body, not a parliamentary body, executive and legislative at the same time."

("Selected Works of Marx and Engels," Vol 2, p 375) In "The State and Revolution," Lenin discussed these principles in detail. He pointed out that only in carrying out these principles can we replace bourgeois democracy with socialist democracy, ensure control over the state by the broad masses of people, and consolidate proletarian state power. Our country's constitution has invariably provided that all state power belongs to the people; the organs through which the people exercise the power are people's congresses at different levels; and all people's congresses and other state organs must carry out democratic centralism. The principle of democratic centralism has been made an individual article (Article 3) in the revised draft of the constitution. It provided that "our state organs adopt the principle of democratic centralism." This is one of the characteristics of the revised draft of the constitution. Furthermore, with regard to the basic content of democratic centralism, the draft has also given an explanation in the following three aspects according to the basic principles of Marxism-Leninism and the actual practice in our country; and tried to embody the principle as fully as possible in every article governing the organization and the activities of the state organs concerned.

First, the NPC and the local people's congresses at different levels are formed by means of democratic elections. All people's congresses are responsible to the people and subject to the supervision of the people. The revised draft of the constitution provides that the people's congresses at all levels throughout the country are formed by means of democratic election. According to statistics compiled during the 1981 nationwide general election, the voters accounted for more than 99.9 percent of the citizens over 18 years of age. The people's congresses at different levels, which are formed by means of election on the basis of extensive democracy, can truly exercise state power on behalf of the people. At the same time, as provided in the revised draft, the NPC and all local people's congresses at different levels are subject to the supervision of the units and voters who elected them; and the latter have the right to replace, at any time, according to the procedure prescribed by law, any deputy whom they have elected. This ensures that all deputies will take the initiative in abiding by the constitution and law and will proceed in all cases from the interests and the will of the broad masses of people. The above stipulation fully shows that the people's congresses at all levels in our country are the people's representative organs and are of a highly democratic nature.

Second, all state administrative organs and all judicial and procuratorial organs are originated by the organs of state power to which they are responsible and to whose supervision they are subject. As provided by the revised draft, the NPC is the highest organ of state power, and its permanent organ is the NPC Standing Committee. It exercises legislative authority in the country, carries out discussions and makes decisions on issues of nationwide importance. The local people's congresses at various levels are local organs of state power. Standing committees are established in the local people's congresses at and above the county level. They carry out discussions and make decisions on important issues concerning their respective administrative areas. All state administrative organs, judicial organs and procuratorial organs at various levels are originated by organs of state power at various levels to which they are responsible and to whose supervision they are subject. This implies that all other state organs which are originated by people's congresses can never go against the will of the latter. All the above stipulations show that the people's congresses at various levels are the organs which truly exercise state power, and have the right to carry out discussions on important issues in the state's political life, to make relevant decisions and to supervise the implementation of these decisions. Therefore, through the people's congress system, the people can exercise state power in a centralized and unified way.

Third, the division of functions and power between the central and local state institutions shall conform to the principle of giving full play to the initiative and enthusiasm of the local authorities under the unified leadership of the central authorities. This stipulation of the revised draft correctly links the centralized and unified leadership of the central authorities with the goal of giving full play to the initiative and enthusiasm of the local authorities; furthermore, it reflects such a spirit in many articles of the constitution.

So, from the above three aspects, the revised draft has clarified the proper relationship between the people and their representative organs, between the representative organs and other state organs, and between the central and the local authorities. It has provided a clearer and more rational division of powers and functions between the state power organs and administrative organs, and between central state organs and local state organs, and has properly integrated a high degree of democracy with a high degree of centralism. It has thus consolidated and developed the people's congress system in our country.

The Revised Draft Has Enlarged the Powers and Functions of the NPC Standing Committee and Has Consolidated the Highest State Power Organs

One of the prominent and important characteristics of the revised draft of the constitution is that it has enlarged the powers and functions of the NPC Standing Committee, especially the legislative power of the latter; and has transferred some of the powers and functions which originally belonged to the NPC to its Standing Committee. The revised draft provides that both the NPC and its Standing Committee can exercise the legislative power of the state and have the right to formulate laws. The NPC has the power "to make and amend basic laws concerning criminal offenses, civil affairs, the structure of the state and other matters." These basic laws include criminal law, the law of criminal procedure, civil law, the law of civil procedure, the law governing the organization of the NPC, the law governing the organization of the State Council, the law governing the organization of the local people's congresses and the people's governments at various levels, the law governing the organization of the people's courts, the law governing the organization of the people's procuratorate, electoral law, the law of regional national autonomy, and so on. Other laws, apart from these, are to be made and amended by the NPC Standing Committee. When the NPC is not in session, the Standing Committee has the power to partially amend and supplement the basic laws enacted by the NPC. Besides, the revised draft also provides that the NPC Standing Committee has the power to supervise the enforcement of the constitution; to examine and approve plans for national economic and social development, and some readjustment plans of the state budget, when the NPC is not in session; and to decide on the appointment and removal of ministers and chairmen of commissions upon the recommendation of the premier of the State Council; and so on. On the other hand, the revised draft also has a series of stipulations to strengthen the organization of the NPC Standing Committee. For example, it is stipulated that members of the NPC Standing Committee shall not concurrently hold posts in state administrative organs or the judicial and procuratorial organs, so that they can devote their full strength and time to carrying out their own duties; the chairman, vice chairmen and secretary general of the NPC Standing Committee will form the chairmanship conference to attend to its important routine work; the responsible people of the standing committee of the people's congress of each province, autonomous region and municipality directly under the central government shall attend the sessions of the NPC Standing Committee, so as to enable the NPC Standing Committee to maintain closer ties with local authorities and masses; and so on. All these new stipulations are of great importance to fully bringing into play the NPC Standing Committee.

Some comrades are afraid that enlarging the powers and functions of the NPC Standing Committee will weaken the role and functions of the NPC as the highest state power organ, and will be harmful to promoting socialist democracy. The principal reason they give for this is that, while the NPC, as the highest organ of state power, is composed of deputies from various electing units and has a relatively extensive representativeness, the NPC Standing Committee, being produced by the NPC through election, has a less complete representativeness than the former, and is merely its permanent organ. This question must be considered both from theory and practice.

According to the Marxist theory of law, law must be based on certain social relations and must conform with the needs of the ruling class to consolidate its rule in the political and economic fields. In talking about the Napoleonic Code of France, Marx said, "Once this code no longer conforms with social relations, it will immediately turn into a pile of valueless waste paper." ("Collected Works of Marx and Engels," Vol 6, p 292) Lenin very sharply divided "constitutions" into "written constitutions" and "practical constitutions." He called constitutional documents prepared by the state "written constitutions," and called economic and political relations, which are objective things, "practical constitutions." Whether the "written constitution" can truly give full play to its legal functions does not depend on what is literally prescribed by it but on whether its content is divorced from the "practical constitution," and on whether it conforms with the objective needs. Being realistic and proceeding in all cases from the actual circumstances is one of the fundamental principles which must always be scrupulously abided by in socialist legislation, and the principal criterion to judge whether the constitution and law are complete. This is also the correct attitude we must take in considering the question of democracy--we must concentrate our attention on real democracy. If the form of democracy is divorced from objective reality, that democracy will not be a genuine one. Therefore, in order to ensure that socialist democracy can be fully carried out, we must consider the actual situation in our country in working out the political system, we must devise a system which can guarantee the fully efficient operation of state power organs and which can effectively ensure the people's rights to control the state.

Let us look at the actual situation. First of all, as far as the superficial situation is concerned, since the NPC is the highest organ of state power, it should enlarge its powers and functions but should not enlarge the powers and functions of its Standing Committee. However, this cannot be easily achieved in actual practice. In view of the past practice, there was a relatively large number of delegates to the NPC (not exceeding 3,500 people as stipulated by the electoral law in accordance with the actual needs). This hindered the progress of work and the exercise of powers and functions. Therefore, the question of reducing the number of delegates has been considered in the course of revising the constitution. But, on the other hand, it is difficult to reduce the number of delegates in order to maintain a wide representation of the NPC because our country is a vast country which is densely populated. Since there is a large number of delegates and in order to keep the meetings from being too lengthy, it is rather difficult to discuss problems. Therefore, the NPC meetings can only concentrate on discussion and solution to questions of fundamental significance in the state's political life. On the other hand, in the wake of the development of the socialist cause, there are some serious national problems awaiting solution. The NPC is designated to make laws which are sometimes unable to meet the demands of reality. In view of this, as early as in 1955, the Second Session of the First NPC adopted a resolution which authorized the NPC Standing Committee to formulate certain laws. The resolution pointed out: "In the wake of the progress of socialist construction and socialist reform, it is necessary for the state to formulate various laws in order to meet the demands of the state's construction and work. At the conclusion of the NPC meetings, it is inevitable for the NPC Standing Committee to adopt and implement certain laws. In light of this, in accordance with Article 19 of Regulation 31 of the PRC Constitution, the NPC Standing Committee is authorized, in accordance with the spirit of the constitution and actual need, to appropriately formulate certain laws--the special regulations." In 1959, the First Session of the Second NPC adopted another resolution which authorized the NPC Standing Committee, at the conclusion of the NPC meeting and in accordance with the demands for development and work, to amend certain inappropriate articles of the law and make new regulations. In the new historical era, in order to strengthen socialist democracy and the socialist legal system and ensure the smooth progress of the four modernizations drive, it is extremely necessary to strengthen socialist legislative work and promptly deal with major problems. In the light of this, we see that enlarging the powers and functions of the NPC Standing Committee is a scientific summation of the long-term practice of the system of the people's congress and is also an objective demand of the new historical era.

Second, the NPC Standing Committee has the ability to exercise the powers and functions entrusted to it by the constitution. At present, the NPC Standing Committee has nearly 200 members. Although the NPC Standing Committee is formed by means of elections of people's congresses throughout the country, it consists of representatives from various aspects. This shows that the NPC Standing Committee is fully capable of exercising the state's legislative power. It was stipulated in the constitution in 1954 that the NPC is the sole organ exercising the state's legislative power and that the NPC Standing Committee cannot formulate laws but only decrees. This stipulation was made with reference to the 1936 constitution of the Soviet Union. However, in accordance with the Soviet 1936 constitution, the number of members of the Supreme Soviet Presidium was only 33. The present number of members of our country's NPC Standing Committee is about 5 times that of the Soviet Supreme Presidium. Since the size of the NPC Standing Committee is rather appropriate, it is rather easy for it to hold regular meetings. With its power extended and its organization strengthened by the draft of the revised constitution, it can give full play to its role as a standing body.

Finally, while enlarging the powers and functions of the NPC Standing Committee, the draft of the revised constitution has also attached great importance to the building of people's congresses throughout the country. Following are major new regulations: 1) Restore the legal procedure of the 1954 constitution in relation to the NPC's right to revise the constitution, pass laws and other proposals, and entrust to the NPC the right to make decrees (including decisions and resolutions beyond the scope of law). These stipulations are of great significance to maintaining the position of the fundamental law of the constitution, enhancing the seriousness of the resolutions adopted by the NPC and strengthening the socialist legal system. 2) Regulations have been made on establishing the special committees such as the committees in charge of economics and finance, education and science, and foreign affairs in order to examine, discuss and draft relevant proposals. Delegates to the NPC have the right to put forth legislative proposals in order to strengthen the NPC's legislative work. 3) As far as the rights of the delegates to the NPC is concerned, the regulation in the 1954 constitution on the exemption right of delegates has been restored. According to this regulation, the statements and votes of the delegates made in various meetings are not subject to legal prosecution. At the same time, regulations on the delegates' obligations have also been made. They must maintain close ties with units to which they originally belonged and with the masses, listen to and reflect the people's opinions and demands, and assist in the implementation of the constitution and the law. Hence, the delegates can better perform their duties. The draft has strengthened the building of the NPC and its Standing Committee, ensuring that they give full play to the role of being the highest organs of state power and really becoming the people's authoritative organs of power.

The Draft Enlarges the Powers and Functions of the Local State Organs, and Consolidates the Local Organs of State Power

Another major characteristic of the draft of the revised constitution is that the powers and functions of the local organs of state power have been enlarged and the building of local people's congresses at all levels has been strengthened. Since the proposal of shifting the country's work focus onto socialist modernization centering on economic construction was put forth at the 3d Plenary Session of the 11th CCP Central Committee, the local organs of state power at all levels, particularly those at and above county level, are shouldering heavier tasks. Therefore, under the centralized and unified leadership of the CCP Central Committee, appropriately enlarging the powers and functions of the local organs of state power and strengthening the building of local organs of state power at all levels are essential to giving play to the initiative and enthusiasm of the localities and speeding up the development of the four modernizations drive. The draft has summed up the experience of building political power in the localities since the founding of the state and particularly over the past few years. It has also made the following new regulations on strengthening the work of the local organs of state power at all levels. These new regulations are major reforms in the local organs of state power.

1. The powers and functions of local state organs have been enlarged.

The draft stipulated that the people's congresses and the standing committees of the people's congresses of provinces, autonomous regions and municipalities directly under the central government can formulate and promulgate local laws and regulations provided that they do not contradict the state constitution, law, decrees and administrative rules, and submit them to the NPC Standing Committee for the record. This is of great significance to giving play to the enthusiasm of the localities. Simultaneously, the draft also expands the autonomous power of the autonomous organs in the minority nationality autonomous regions. For instance, it has been stipulated that minority nationality personnel will take up posts of chairman and governor of the autonomous region, and governor of the autonomous counties; that under the planned guidance of the state, the autonomous organs will be responsible for the management of the local economy, culture and so on; and that in opening up resources and building enterprises in the autonomous regions, the state should take into consideration the interests of the autonomous regions. These stipulations are conducive to safeguarding the minority nationalities' right of autonomy and strengthening the unity of the various nationalities in striving for the realization of the four modernizations drive.

2. Direct election is to be implemented at the county level.

In the structure of the state organs, the organs at county level play a very important role in providing continuity between what has gone before and what comes afterward. The organs of state power at county level constitute an important cardinal link in leading and organizing the broad masses of people. The people's congresses at county level are elected by the people. They help to place the organs of state power at county level under the direct supervision of the masses, maintain closer ties between the state organs and the masses, improve the efficiency of work and lead well the four modernizations drive. The implementation of direct elections at county level lays a solid foundation for the election of organs of state power at all levels above county level. Thus, the implementation of direct elections at county level is very important to perfecting the people's congress system and ensuring that the masses are masters of their own house.

3. Local people's congresses at all levels at and above county level are to set up their standing committees.

In accordance with the stipulations laid down in the 1954 constitution, the local people's committees at all levels are the executive organs of the people's congresses at all levels and, simultaneously, they exercise the powers and functions of the standing organs of the people's congresses. Practice has proved that because the local administrative organs shoulder heavy tasks which hinder their efforts in exercising the powers and functions of the standing organs of the people's congresses and because of the lack of the standing organs of the people's congresses, a situation in which the administrative organs are under their own supervision and are actually divorced from the regular supervision of the local organs of state power appeared. The draft stipulates that local people's congresses at and above county level should set up standing committees and it has also laid down explicit stipulations on the organization and powers and functions of the standing committees of the people's congresses. The general powers and functions of the standing committees of the people's congresses are: discuss and make decisions on major issues of the local administrative district; supervise the work of the local people's government, people's court and people's procuratorate; and make decisions on appointment and dismissal of the personnel of the organs of state power. Thus the establishment of the standing committees of the local people's congresses at and above county level is of great significance to promptly discussing and solving local problems regarding the four modernizations drive in accordance with local conditions, strengthening the building of the people's congresses and strengthening regular supervision over other local state organs.

It is worth pointing out that the draft also entrusts to the standing committees of the people's congresses a large part of the powers and functions of the local people's congresses at and above county level stipulated in the 1954 constitution. This means that local people's congress standing committees now have the power to dismiss inappropriate resolutions and others issued by the people's government at the same level and by the people's government one level below, and the power to dismiss inappropriate resolutions made by the people's congresses one level below. From a superficial look at the situation, the powers and functions of the local people's congresses at and above county level are reduced and the powers and functions of the people's congress standing committees are enlarged. However, such stipulations are in fact more rational and practical because they are more conducive to placing the local administrative organs at all levels under the regular supervision of the local organs of state power at all levels. In view of the stipulation on the powers and functions of the NPC Standing Committee laid down in the 1954 constitution, the NPC Standing Committee was also given the power to dismiss the resolutions and orders issued by the State Council which were contradictory to the constitution, the law and decrees, and the power to alter or dismiss inappropriate resolutions made by the organs of state power of provinces, autonomous regions and municipalities directly under the central government. The local people's congresses were entrusted with the exercise of such powers only because no local people's congress standing committees had been established. This shows once again that, regarding the stipulation of the powers and functions of the people's congresses and their standing committees, we should not superficially look at the amount of powers and functions but should see whether they are rational and accord with practical needs. The draft not only establishes standing committees for the local people's congresses at and above county level but also makes explicit stipulations on their powers and functions. This has further perfected the system of the people's congress, ensuring that full play will be given to the role of the local organs of state power.

In short, the draft consolidates the establishment of the highest organs of state power and the local organs of state power in accordance with the principle of democratic centralism. It realizes the major reforms and new developments in the state system and greatly improves our country's people's congress system. It has great practical significance and far-reaching historical significance in carrying forward socialist democracy, strengthening the socialist legal system and ensuring that our country will be built into a modern and strong socialist country with a high degree of democracy and civilization.

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THE DEVELOPMENT OF SOCIALIST DEMOCRATIC POLITICS IS AN IMPORTANT QUESTION

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[Article by Gong Yuzhi [7895 5148 0037]]

[Text] The draft of the revised constitution is being discussed by all the people. Our people have placed high hopes on the revision of the constitution this time and they are confident that the discussion, formulation and implementation of the new constitution will surely become a new milestone in building up our country's socialist political democracy.

This revision of the constitution is being carried out after the 3d Plenary Session of the 11th CCP Central Committee definitively formulated the party's correct line during the new historical period and after the 6th plenary session made a basic summary of the party's history since the founding of the PRC. The whole party and the whole people have deeply thought over the experiences and lessons in the 30 years of our great and arduous history and our future tasks and path. Our people wish to record the basic results of their deep pondering, the basic experiences that they have drawn from history and the basic path for future development on the basic law of the state.

Naturally, the construction of the socialist democratic political system has become one of the key issues that the party and the people have conscientiously thought over.

The 3d Plenary Session of the 11th CCP Central Committee already pointed out that we should embody our democracy in our political system and laws and make the system and laws stable, constant and extremely authoritative. In his speech at the 30th National Day, Comrade Ye Jianying pointed out that we should "reform and improve the socialist political system," and include "building up a high degree of socialist democracy" and "a highly developed socialist spiritual civilization" into the "major goals of our socialist modernization."

At the 5th Plenary Session of the 11th CCP Central Committee, the draft of the revised CCP constitution was discussed and the abolition of the de facto lifelong tenure system for cadres in leadership posts was adopted as an important principle. Later, at the enlarged meeting of the CCP Central

Committee Politburo, Comrade Deng Xiaoping gave a speech in which he systematically expounded on the problem of the reform of the leadership system of the party and the state. One of the aims of the reform was to solve the problem of the excessive centralization of power and to abolish the lifelong tenure system for cadres in leadership posts. He also said that the CCP Central Committee would propose a revision in the constitution in order to reflect this reform.

In the historic resolution that was approved by the 6th Plenary Session of the 11th CCP Central Committee it was pointed out that "gradually building up a highly democratic socialist political system is one of the basic tasks of the socialist revolution. Our failure to realize the importance of this task was one of the important factors that gave rise to the 'Great Cultural Revolution.' This is a grievous lesson for us." The resolution highly praised the party's decision to abolish the de facto lifelong tenure system for cadres in leadership posts.

Now this guiding ideology has been embodied in the draft of the revised constitution. The draft of the revised PRC Constitution stipulates 5-year terms of office for the state chairman and vice chairmen, the NPC Standing Committee chairman and vice chairmen, the State Council premier and vice premiers, the state councillors, the chairman of the Central Military Commission, the president of the Supreme People's Court and the president of the Supreme People's Procuratorate. It also stipulates that none of them may serve for more than two consecutive terms. This actually means writing into the constitution the abolition of the lifelong tenure system for cadres in leadership posts. As a result, the constitution specifically embodies the existing regulations on limiting the terms of office in the highest leadership offices of the state.

The construction of the political system of socialist democracy consists of many aspects, and the abolition of the de facto lifelong tenure for the highest leading posts of the state is merely one of the aspects. I am going to give a few of my opinions on this point.

We all know that for feudal emperors there was a lifelong tenure system and hereditary succession. The overthrow of the autocracy of feudal kings and the establishment of the democratic republic political system, in which the top officials of the state are selected by election and their tenure is limited, is one of the great achievements of bourgeois democratic politics. It is also a major step forward in the political life of the human race. Of course, bourgeois democracy is in essence rule by a small number of exploiters. The constant change in the heads of states and heads of governments in the capitalist countries reflects, in essence, contention for power and readjustment in the contradictions between the various economic groups and political sections within the bourgeoisie. This only serves to safeguard their rule over the broad masses of the laboring people. Moreover, restriction of the length of tenure of top officials of the state is often not stipulated in the fundamental laws of all capitalist countries and not always observed even though it has been stipulated in the fundamental laws of a capitalist country.

Socialist political democracy belongs to the whole laboring people and is, in essence, quite superior to the bourgeois political democracy. However, it takes time to build up the socialist political democracy. Due to various specific historical conditions, although the highest leaders in socialist countries are elected to their offices, a de facto lifelong tenure system has emerged. After the death of Stalin, from summing up the historical experiences of the dictatorship of the proletariat, the CCP noted the negative results in political life in socialist countries by the excessive concentration of power and the formation of the personality cult. In light of international experiences and in connection with China's cause, the CCP already started at that time to consider the question of abolishing the lifelong tenure system in party and state leadership posts.

In 1956 Chairman Mao Zedong proposed that he would not serve another term as state chairman, and at the same time also considered not serving a further term as party chairman at an appropriate time in the future. The leading comrades of the Central Committee agreed with this view. The party constitution adopted by the eighth party congress included a provision that "when the Central Committee deems it necessary, it can establish the post of honorary party chairman." This without doubt reflected this consideration.

On 30 April 1957, Comrade Mao Zedong talked with nonparty personalities and mentioned that he did not wish to be nominated as a candidate for the position of chairman of the state. Two nonparty personalities wrote to Comrade Liu Shaoqi and Comrade Zhou Enlai about this. In their letters, they expressed their opinions that this was a matter of great concern and hoped that the party and government prudently think over the problem. On 5 May, Comrade Mao Zedong wrote the following remarks on the letters that had been sent to be read by him:

"This matter has already been discussed by dozens of people at the meeting in Beidaihe and has been considered by them as feasible. They have also discussed my refusal to serve a future term of office as the chairman of the party, but they were of the opinion that although it cannot be accepted at this time, it may be accepted in the future when the situation allows."

"We can also consider that we will revise the constitution and stipulate that the chairman and vice chairmen can be reelected only once, and only after they have served a term of office."

Referring to what was said in the letters about stressing the prestige of an individual in a collective leadership still being an important link for uniting the people of the whole country, Comrade Mao Zedong wrote:

"I am still alive; the prestige of the individual for uniting the people will not diminish because of my refusal to accept reelection."

Regarding the problem of continuing to play his role in the political life of the state, Comrade Mao Zedong thought that when he was freed from his firstline duties, he would be able to concentrate his energy on researching some important issues. He thought that when he no longer held the post of chairman of the state, he could deliver speeches on major issues as the party chairman at proper meetings if necessary, and that even if he no longer held the post of the CCP chairman, he would still be able to deliver speeches as a member of the CCP Politburo.

Comrade Mao Zedong asked that copies of the letter and his remark be circulated to "all members and alternate members of the CCP Central Committee, all the deputies to the eighth CCP national congress, all the provincial, municipal and regional CCP committees, all the NPC deputies and all the members of the CPPCC." He also wrote:

"This matter should be widely discussed in order to be accepted by the people and win their support. We should also consider revising the constitution."

"At present, an increasingly large number of high-ranking leading comrades have accepted this idea, but because of a lack of exchange of opinions, there are still quite a large number of nonparty personalities who will not accept this idea. Therefore, it is necessary to spend a great deal of time in discussing the matter."

Reviewed today, how insightful his words are.

It is a pity that owing to the change in the situation which is known by everybody, restricting the number of terms of office that a state chairman and party chairman can consecutively serve was suspended for a long time. Later, the personality cult was gradually aggravated and the power of the party and the state was excessively concentrated onto one individual. As a result democratic centralism and the principle of collective leadership was weakened or even completely destroyed. During the "Great Cultural Revolution" the practice of including the de facto lifelong tenure system for the leader and the stipulation about the leader being succeeded by a specified person was written into the constitution.

History has undergone twists and turns.

Since the smashing of the "gang of four," both the party and the people have become enlightened again. Searching for a way to reform the leadership system of our party and state through a summing up of our own historical experiences and lessons has become one of the key issues that people have been discussing. With the results of the personality cult in the past and the propaganda of the new personality cult still fresh in their minds, many old-generation proletarian revolutionaries and many careful thinkers among the cadres and masses both inside and outside the party have realized and raised in their discussions the necessity for abolishing the lifelong tenure system for supreme leading officials. This is an inevitable trend as well as a natural and reasonable conclusion. Encouraged by the spirit of the 3d Plenary Session of the 11th CCP Central Committee, some theoretical workers have theoretically raised and discussed this problem with a keen insight. It is precisely on this basis that our

CCP Central Committee collected the opinions of the masses, decided when the time was right and bravely put forth the abolition of the de facto lifelong tenure system for leadership posts as a major policy decision resulting from a wider range of opinions, in a more perfect form and by more accurate reasoning. Thus it reflected the desire of the masses.

How are we to understand the significance of this policy decision? In my opinion, the significance lies in at least the following aspects:

First, this is a reform system, not just a step taken to meet temporary requirements. This reform system was not put forth in isolation. On the contrary, it was put forth as one of the major links of the reform of the overall leadership system of the party and the state and the reform of the overall cadre system. As Vice Chairman Deng Xiaoping profoundly pointed out: The reform and perfection of a system is more fundamental and complete and has greater stability and duration than the thought, work style and responsibility of an individual.

Second, this policy decision helps to establish ideologically, politically and organizationally the Marxist viewpoint and principle that the Communist Party and the state must be under the collective leadership of leaders with ability and political integrity who have emerged amid mass struggle.

Third, this policy decision helps to bring into play the superiority of the socialist system in cultivating and steeling large numbers of talented leaders.

Fourth, this policy decision helps to develop genuinely equal and democratic relations in the highest leadership stratum and puts a stop to the patriarchal system and the phenomenon of the individual placing himself above the collective.

Fifth, this policy decision helps to formulate a democratic order, solve the problem of the handing over of power by the highest leadership stratum, and ensure the continuity and stability of the correct leadership of the party and state.

Sixth, this policy decision helps to bring down the average age of the highest leadership stratum and to regularly rejuvenate it, thus facilitating its constant absorption of new vitality, experience and knowledge.

The old generation of proletarian revolutionaries' prestige, experiences and wisdom that have been gained in their prolonged struggle are the political and spiritual treasure and great strength of the whole party and state. While rejuvenating the leading cadres ranks, the CCP Central Committee has also formulated some methods and measures to enable those comrades who have retired from firstline posts to continue to play their important role--as much as their energy and health allow--in the political life of the party and state, especially in making decisions on important matters. Our old generation of revolutionaries should sincerely help those comrades who lack their prestige, competence and experience, so that they will be worthy of leading posts. They should regard this as their glorious duty for the party and the people. This shows the noble quality of true communists.

In short, the CCP Central Committee's important policy decision on the abolition of the lifelong tenure system for cadres of leadership posts has won the support of the broad masses and the broad ranks of our cadres. This policy decision has been reflected in the draft of the revised constitution and is being implemented in the current work of reforming the leading organs of the party and state.

History usually reflects progress. But on these problems, it seems that we merely have returned to the correct viewpoint that we put forth many years ago. However, as was said by Hegel, the same maxim would sound much more profound if it was said by an old man who had experienced the hardships of life than by a young man who had not experienced much of life. Though it is the same correct viewpoint, when we soundly affirm it today, our affirmations have been supported by the positive and negative experiences of our past; therefore, our understanding of this viewpoint is much deeper and much richer in meaning than that of many years ago. In carrying out this correct viewpoint today, we are much more conscious, much more resolute and much more persistent than we were many years ago. At that time, many people were not mentally prepared for the reform, but now the reform has become the common will and desire of every one of us. We are engaged in establishing and perfecting a complete system to ensure the full realization of socialist political democracy. We are fully confident that we will make steady progress.

CSO: 4004/36

A NEW QUESTION FOR STUDY

Beijing RED FLAG in Chinese No 10, 16 May 82 pp 28-30

[Article by Xu Daohe [1776 6670 3109]]

[Text] At present, we have started to combat serious economic crime. The struggle has given rise to a new question for study. We should be armed with Marxism-Leninism and Mao Zedong Thought to preserve the purity of communism.

Notable results have been scored in carrying out the open-door policy and the policy on strengthening our domestic economy in accordance with our socialist modernization and with the international and domestic situations since the smashing of the "gang of four," particularly since the 3d Plenary Session of the 11th CCP Central Committee. That the policy will be carried out in future is beyond doubt. We should, however, note that in the past 2 or 3 years there has been a notable increase in serious crime such as smuggling, selling of smuggled goods, corruption, bribery, speculation, swindling, and stealing property from the state and collectives. Such activities are rampant in a small number of localities and among a small number of people. Such activities, which do great damage to the socialist economy, are often done by a small number of people in the national departments and enterprises who have colluded with undesirable elements in society. Some of these activities are done under the pretense of the state or enterprises, some are even backed up by some leading cadres. Some of our cadres, however, do not have a sufficient understanding of the seriousness and destructiveness of the questions reflected by the class struggle under the present historical conditions. It is, therefore, necessary to raise the ideological level of the members of the Communist Party and the staff of the state, to keep a clear mind and to preserve the purity of communism, so as to achieve a state of not being corrupt while the correct open-door policy and the policy on strengthening our domestic economy are being consistently carried out. This gives rise to a new question for study.

"The decisions made by the PRC State Council on combating serious economic crime" states that "our cadres, particularly our middle-ranking and leading cadres, should study again the works of Lenin and Comrade Mao Zedong, solemnly and persistently preserve the quality of the vanguard of the working class of our party, and preserve the purity of our members' communism.

Our members' ideological level should not be lowered and their political awareness should never be weakened. Our members should never become corrupt and degenerate." The successful study of the new question, the preservation of the purity of communism and the opposition to corruption and deterioration all play an important part in the interest of our people and our state, in the stability of our socialist system, and in the prosperity or decline of our state.

During the cause of our revolution and construction, whenever a new historical era starts, we often pay close attention to the purity of communism. We always raise new questions in time so as to prevent corruption and degeneracy among a small number of members and cadres. For instance, the emphasis of our work shifted from the rural area to the urban area during the early postliberation period. At that time, we had to come into closer contact with the capitalists. Confronted with this situation, some of our members became despondent. "They had not been conquered by the armed enemies." "They could not sustain the people's attack with sugar-coated bullets," so stated Comrade Mao Zedong at the 2d Plenary Session of the 7th CCP Central Committee. They indulged in material enjoyment; they were blinded by lust for gain; and they took part in bribery and corruption and in illegal practices. Nevertheless, our party led all of its members and cadres to study its principles and policies so as to strengthen their political awareness and raise their ideological level. Our party started the movement of "anticorruption, antiextravagance, and antibureaucracy." It severely punished a small number of serious criminals. Our anticorruption and antidegeneracy force in our party has been greatly strengthened. Necessary conditions for socialist reform and socialist economic construction have been created.

Our present situation is different from that in the past. It is different from the situation in Russia's period of implementing the new economic plan declared by Lenin. However, the basic principles and spirit of preserving the purity of communism and the struggle against corruption and degeneracy as advocated by Lenin and Comrade Mao Zedong are still applicable to our present situation. The article "Excerpts of Lenin and Comrade Mao Zedong on Opposing Communist Members' Corruption and Degeneracy," which has been recently carried in the press, is good material for study. We should thoroughly execute the "Decisions by the PRC State Council on Combating Serious Economic Crimes" and should study them seriously.

First, we should study communist ideology, build up a sound communist world outlook and fight persistently against harmful trends.

In many of their works Lenin and Comrade Mao Zedong have stated their insistence on communist ideology. During the war of resistance against Japan, Comrade Mao Zedong pointed out that "it is beyond doubt that our highest guiding principle is to push China toward a socialist and communist society. The name of our party and our Marxist world outlook have obviously demonstrated our brightest, highest and most wonderful ideal." ("Selected Works of Mao Zedong," Vol 3, p 1008) Every member has to dedicate himself to this struggle when he joins the Communist Party. He is required to form a communist world outlook and to uphold the party's principles. As we march along the road to communism, it is inevitable that the development of our revolution will be impeded by all kinds of nonproletariat and harmful trends. How should we tackle these harmful trends? Lenin has pointed out that we "should keep a close eye to such trends and should resist them by means of communism." ("Complete Works of Lenin," Vol 31, p 416) Comrade Mao Zedong also has pointed out that a member of the Communist Party should "uphold the correct principles and wage tireless struggle against erroneous ideas and behavior at any time and place." ("Selected Works of Mao Zedong," Vol 2, p 332) At present, a small number of our party members have become corrupt and degenerate, and they have leaned toward the liberal bourgeoisie. We should follow the teachings of Lenin's and Mao Zedong's to uphold the party's principles and to carry out the struggle. Various harmful trends will run wild and greatly endanger the cause of our revolution if we do not wage a firm struggle against them.

Second, we should learn to preserve the purity of communism under any conditions. We should not lower the members' ideological level or weaken their political awareness.

Lenin has pointed out that "to preserve the ideological and political individuality of the proletariat is the constant and doubtless obligation of the socialists. Those who fail to fulfill this obligation are no longer socialists in practice." ("Complete Works of Lenin," Vol 10, p 60) In the preface and afterword to the "Survey on Agriculture" in 1941, Comrade Mao Zedong pointed out that "to preserve solemnly and firmly the purity of communism among the members of the party, to protect those capitalistic qualities which benefit the economy and to let them develop appropriately are indispensable in our resistance against Japan and at the age of building up a people's republic." ("Selected Works of Mao Zedong," Vol 3, p 751) At present, our socialist economy has become absolutely dominant. Various forms of economy and management will continue to exist. Our social policy can never be a communist social policy. However, members of the Communist Party should preserve the purity of communism under all circumstances. They should also maintain a good relationship between the preservation of the purity of communism and various social policies adopted under different circumstances. We should not use the comments on noncommunism to criticize the social policies and oppose noncommunist policies which are adopted in accordance with the practical situation. Nor should we give up preserving the purity of communism, lower the ideological level or weaken the members' political awareness just because some social policies are not communist.

Third, we should learn to serve the people wholeheartedly and vow to wage a lifelong struggle for communism.

It is our party's aim to serve the people wholeheartedly. It is our members' sacred responsibility to wage a lifelong struggle for communism. Comrade Mao Zedong said, "The Communist Party is to struggle, to serve the people wholeheartedly, not half-heartedly." ("Selected Works of Mao

Zedong," Vol 5, p 420) He also said that "Communist Party members should never put their own interests first. Their personal interests should give way to the interests of the state and people. Therefore, selfishness, sluggishness, corruption, deterioration, 'showing off,' and so forth are most detestable. Selflessness, diligence, wholehearted devotion to public duty, the spirit of quietly immersing oneself in hard work, and so forth are reputable." (ibid., Vol 2, p 488) Through studying Comrade Mao Zedong's teaching and practicing it in daily work, we can realize the public demand, become one with the masses and straighten out our party's spirit. If we possess such ideas and spirit, we will be able to put the interests of the state and people first, handle the relationship among the state, the collectives and the individuals, and abstain from jobbery; we will not give ourselves the airs of a hero and become proud and complacent, slacken off from making any further progress, and will not seek ease and enjoyment or be afraid of leading a hard life when we score good results; we can make criticism and self-criticism, be courageous enough to admit our shortcomings and to overcome them and rectify any ideas and behavior which are adverse to our party's cause when we make some errors in our work. In sum, if we possess such ideas and spirit, we can resist the capitalist attack with sugar-coated bullets, we will not lose in the battle against such sugar-coated bullets, and we can make continuous progress and vow to dedicate ourselves to the lifelong struggle for communism.

In studying the article "Excerpts of Lenin and Comrade Mao Zedong on Opposing the Corruption and Degeneracy of Communist Members" under the new historical conditions, we should closely link it with the present economic crime and the harmful trends in the society. We should take the lesson of the corruption and deterioration of the small number of cadres. We should summarize and study the experience of our good and uncontaminated cadres, members and collectives amid the corrosion of capitalist ideas. We should analyze the practical situation to get a better understanding of the related teachings of Lenin and Comrade Mao Zedong, to raise our ideology level and strengthen our political awareness, and to strengthen resistance to capitalist corrosion.

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IS AN INDIVIDUAL UNDERTAKING PRACTICING EXPLOITATION IF IT EMPLOYS ASSISTANTS AND TAKES ON APPRENTICES?

Beijing RED FLAG in Chinese No 10, 16 May 82 pp 30-31

[Article in "Questions and Answers" column by Dong Yancheng [5516 5885 2052]]

[Text] In our economy today, a small number of individual tradesmen own some means of production and, with the permission of the state managerial departments of commerce and industry, have one or two assistants or several apprentices, and these operators make more money than their assistants and apprentices. Is this exploitation through hiring labor? To answer this question, it is necessary to examine the sources and nature of the earnings of these individual tradesmen.

First of all, it should be noted that the income of individual tradesmen is greater than that of their assistants and apprentices and is not solely a result of gratuitous ownership of surplus labor. The amount a tradesman earns includes, first, the value created by his own labor. An individual tradesman owns a little means of production but he is a laborer at the same time. More often than not, he also has higher skills and more managerial competence, playing an important role in the process of production. He does more sophisticated labor than his assistants and apprentices, so it is right that he earn more than they. Second, the earnings of a tradesman include the money made through his earlier investment in the business. These earnings are equal to or modestly higher than the bank interest for the same amount of money. Therefore, although it is earnings on investments, it is justified and permitted by the socialist economy. Third, the earnings include the extra income resulting from pricing factors. The individual economy is a small commodity economy, the economic effects and earnings of which are closely related to the changes of supply and demand on the market. Since some problems still remain in balancing supply and demand in our country at present, and some prices are irrational, a tradesman can often sell at an inflated price and purchase at a discount. This extra income is not created by the labor of the individual tradesman, nor by the labor of his assistants and apprentices, but is created by the labor of laborers in other departments and transferred through price adjustment (it is also transferrable to the state through price adjustments and tax collections). Fourth, the individual tradesmen make profit from the surplus labor of their assistants and apprentices. The amount of this is determined by the number and productivity of the assistants and apprentices. The productivity of individual trades is rather low, and one individual tradesman is permitted to have a few assistants. Therefore, the value of the surplus labor of his assistants and apprentices is very little and cannot provide the bulk of his income.

One cannot indiscriminately regard the individual tradesman who has assistants and apprentices as a capitalist exploiter of hired labor because there are essential qualitative and quantitative differences between the two.

Qualitatively speaking, exploitation means that the workers have no alternative to selling their labor power to the capitalists. The relationship between the capitalists and the workers is characterized by the workers' forced labor and the capitalists' gratuitous ownership of the surplus value created by those workers. But the relationship between the assistants and apprentices and the masters of such individual trades is a coalition based on contract, which sets down the rights, obligations, tenure and income of both parties. Even though the assistants and apprentices are not paid for a part of the value they have created, it can be thought of as payment for the techniques they have learned. Speaking on the nature of apprenticeship Engels pointed out: "Apprentices and assistants are not working to earn sustenance, but rather to make themselves masters too." ("Selected Works of Marx and Engels," Vol 3, p 310) These two essentially different kinds of labor relations and ownership relations should not be confused.

Quantitatively speaking, the portion of income derived from surplus labor by the individual tradesman differs from that of the capitalists. Under the conditions of hired employment, capitalists' income is totally derived from surplus value, which enables them to devote themselves to activities of surplus value, rather than labor-oriented activities, and to continuously increase their wealth. Under individual trade conditions, a tradesman is permitted by the state to hire not more than two assistants, and no more than five apprentices if he has some special skills. This limitation ensures that the value of surplus labor only constitutes a small portion of his income. Moreover, he cannot spend all his time on activities of surplus labor; instead, he has to take part in laboring.

Small commodity production like these individual trades, needless to say, has a spontaneous tendency to expand, to hire more assistants and make more profits. But socialist public ownership and state policies are predominant in our state today. They regulate the scope of business, selling prices and indices of income and expenditure of individual trades. So, with efficient management, proper guidance and support, the negative aspects of the individual economy can be restrained and the business of individual tradesmen can play a positive role.

CSO: 4004/36

DO JOINT UNDERTAKINGS AND INDIVIDUAL UNDERTAKINGS MEAN EMPLOYMENT?

Beijing RED FLAG in Chinese No 10, 16 May 82 p 32

[Article in "Questions and Answers" column by Lian Cen [4886 1478]]

[Text] Basically, employment means combining labor and production resources and engaging in social labor in return for a reward or income. The social format of employment, or the channel of employment, is determined by the system of ownership of the means of production. Under the circumstances where the means of production belong to individual laborers, the means of production of an individual laborer are his direct means of employment. In a capitalist society, where individual laborers lose the means of production, a worker can only seek employment by selling his labor. The socialist system has opened up a good future both for the employment of the members of society and for the combination of laborers and the means of production. In our country today, and for a long period of time to come, the economy of the system of public ownership of the means of production is predominant, and at the same time there are diverse economic forms. The state-run economy and collective economy are our country's basic economic forms; the individual economy of laborers of a limited scope is a necessary supplement to the economy of the public ownership system. In order to adapt to the various forms of economy, employment must take various forms. Employment means engaging in any occupation under social division of work and in return getting back a reward or income. Employment, whether working in units in cooperative undertakings, individual undertakings or state-run enterprises, is employment just the same; it is only the form of employment that differs.

Under the influence of "leftist" errors in the past, policies of banning and suppressing the individual economy was implemented. Overemphasis was placed on transforming the collective economy into a state-run economy. This blocked many channels of labor employment. Consequently, people formed a one-sided view of employment. They believed that employment means becoming staff and workers of the state, or staff and workers in big collective units, and that working in cooperative or individual undertakings is not employment. Such misconceptions of employment stem from equating employment to certain definite forms of employment.

Working for state-run enterprises was only one form of employment, but not the whole. For a long period of time, the production structure of our state was unreasonable because unilateral emphasis was placed on developing heavy industry. More than 50 percent of newly recruited workers were in industrial departments. Among the industrial departments, 70 percent of workers were concentrated in heavy industry. At present, many people are working in the industrial departments, and the number of those engaged in the retail business, service trade, catering trade, repair and maintenance trade, and certain consumer production trades is relatively few. In recent years, although there has been an increase in the number of people employed in these trades, the increase still fell largely short of actual demand. The problems of clothing, eating and repairs, which were prevalent in the cities in our country, are far from being solved. Taking the forms of the collective economy and individual economy, these trades will produce results beneficial to production and management, as well as be convenient for the masses. Therefore, from now on, the development of the collective economy and individual economy are important channels for solving the problem of labor employment in the cities.

In order to develop the national economy and to widen employment channels, we must carry out thoroughly the policy of three integrations in employment advocated by the party Central Committee and the State Council, "Under state coordination, planning and guidance, labor departments should make employment recommendations, organize employment on a voluntary basis, and plan employment." The idea of looking down on the collective economy and individual economy should be eliminated. Policies should be made to guide, encourage, promote and support cooperative and individual undertakings willing to organize themselves for employment. Their property, which is also their means of employment, should be given legal protection. Under the conditions of efficient management, higher income, and attention to appropriate accumulation, the collective economy can provide better wages and welfare facilities than national enterprises. The legal income of individual laborers, even if it is fairly high, should also be safeguarded.

Cooperative and individual undertakings pose many problems to many young people. On the subjective side, inexperience, and on the objective side, capital, location, resources, sales, and management all pose problems. In addition to national support, the individual's desire to start an undertaking is needed to overcome these problems. We should fervently help the young people build up a new concept of employment, and make them feel at ease about making contributions to satisfying the needs of the masses and the four modernizations by developing production and strengthening the economy.

CSO: 4004/36

CAN OUR COUNTRY USE DEFICIT BUDGETING TO STIMULATE ECONOMIC DEVELOPMENT?

Beijing RED FLAG in Chinese No 10, 16 May 82 p 33

[Article in "Questions and Answers" column by Dai Yuanchen [2071 0955 2525]]

[Text] The socialist economic construction of our state proceeds in a planned way. The scope of construction should be based on the state's capability and should proceed progressively. The balance of a budget serves as an important indicator of whether the scope of construction is in accordance with the state's capability. Although a deficit budget will temporarily increase construction capital and expand the scale of construction, in reality it cannot speed up construction. On the contrary, it will trigger a series of harmful effects.

First, to make a deficit budget expand the scale of construction and to increase the part of the national income used for accumulation implies that the distribution quota of the planned national income exceeds the amount of national income created. In fact, the distribution quota of the national income ultimately cannot exceed the amount created. Though distribution in excess of the quota expands capital construction, it will squeeze out some consumption with the result that some purchasing power cannot be materialized, thereby creating a disproportion between accumulation and consumption.

Second, as capital is a reflection of resources, to carry out construction by a deficit budget not only surpasses the financial capability of the state, but also goes beyond the material resources of the state. This necessarily creates an excessive scope of capital construction, an overextended front, and failure to complete a project on schedule so that it can go into production. As a result, construction is extended over a long period of time, with only investment and no output, no production capacity is formed and the investment result is poor.

Third, deficit budgeting and distribution exceeding the quota will lead to a tight supply of material resources. To safeguard capital construction will squeeze out raw materials, timber and fuel, as well as power required by the current production, will squeeze out the equipment needed for repairs, and will interfere with simple reproduction. This will affect the accumulation of capital and the production of social material wealth. The result will be more haste, less speed.

Fourth, a deficit budget will bring an increasing circulation of currency. When the currency in circulation exceeds the normal demand, the social purchasing power will be far greater than the supply of commodities. This will lead to an unstable currency and rising prices. People often say that capital construction has squeezed out finance, which in turn has squeezed out banks. Banks issue currency, and too much currency leads to inflation of commodity prices, which becomes an unstable factor in economic life. This is harmful to stability, unity and implementation of the four modernizations.

Some people might say that a deficit budget is a common phenomenon in Western countries, and that it has the effect of "prolonging the lifespan" of the capitalist economy. Why is it that the things which are applicable to Western countries fail to work in our state?

It should be pointed out that ours is a socialist state, with national conditions totally different from those of Western countries. In Western countries, crises in sales are common because the purchasing power of the laboring masses is relatively inadequate as a result of the labor exploitation by the capitalists. To them deficit budgeting will expand government expenditure, increase social demand, stimulate production and enhance employment opportunities, leading to a temporary relaxation of the economic crisis. This will bring big opportunities for capitalists to promote sales and therefore make fortunes. However, a deficit budget will increase the circulation of currency and inflate prices. It is in fact a hidden form of taxation at the expense of lowering the living standard by lowering the income of workers. As a socialist state, we are entirely competent to maintain a balance of total demand and total supply in a planned way. A relative shortfall in the ability to pay and demand, or excessive production will not occur. Thus, there is no need for a deficit budget to expand social demand.

In the 30-odd years since the founding of the PRC, deficits were incurred in a few years. But these were owing to some errors in our work. When the problems were spotted, positive measures were taken to balance the deficits. Comparatively large deficits were incurred in our state during 1979 and 1980. After common efforts by the whole party and the people throughout the state, a fundamental balance of revenue and expenditure was realized in 1981, and this was a wonderful achievement. Since the foundation of a balance of revenue and expenditure has still not yet been consolidated, we must soberly recognize this fact, persistently pursue the policies of acting in accordance with our capability and proceed progressively. We must hold fast to streamlining expenditure while increasing revenue, and strive for a balance of revenue and expenditure, so as to ensure a normal flow of production and stable market prices.

CSO: 4004/36

A TENTATIVE PLAN OF STRATEGIC MEASURES FOR DEVELOPING OUR COUNTRY'S AGRICULTURE

Beijing RED FLAG in Chinese No 10, 16 May 82 pp 34-38, 43

[Article by Zhan Wu [6124 2976], Shi Jingtang [0670 2417 2768], Wang Guichen [3769 6311 1368], Yu Jianping [0205 1017 1627], Liu Wenpu [0491 2429 3877] and Zhang Baomin [1728 0202 3046]]

[Text] Starting from the concrete conditions of our country, the long-term strategic target for the development of agriculture should be: by means of readjustment, reform and development, to set up a modern socialist agriculture that incorporates intensive, rational, economical and practical features with prosperous commodity production, so as to meet the needs of the life of our people and the demand for grain and other agricultural products in the course of industrial growth, to greatly enhance the income and living standard of the broad masses of peasants, and to build a new countryside of wealth and prosperity with the comprehensive development of agriculture, industry, commerce and communications.

In order to attain the above strategic target, effective strategic measures must be adopted.

1. Strengthen and perfect the socialist economic base.

In the past, one of the important factors that affected the development of our agriculture was the single-product economy. From now on, with the collective economy as the main element, the operation and management of state-run agriculture should be improved, and at the same time household sideline production should be actively developed. Also, individual farming households should be allowed to exist and develop under specified conditions. All this can help to create an active situation with various economic forms promoting and complementing one another, fully mobilizing the initiative of the state, the collective and the individual, and thus expediting the development of agriculture in our country.

Under the concrete conditions of our country, the economy of collective ownership is the main constituent of socialist agriculture. This is so not only because its output value amounts to 80 percent of the total output value of agriculture and the majority of the rural population and labor force belong to the enterprises and organizations of collective ownership, but also because, and more importantly, the economy of collective ownership is more suited to the present production level of our agriculture. Its system of management, such as democratic management, a rather close combination of labor remuneration and production results, and greater autonomy and flexibility in operation and management, are very favorable for mobilizing the initiative of the collective and the individual, in stimulating the production potential and in the rational utilizing of resources. But in the past, under the influence of the erroneous "leftist" ideology, many people often held the view that collective ownership could not promote the development of productive forces in the countryside, and they always wanted to quickly switch to the system of ownership by the whole people. This only led to harmful results. Therefore, we should resolutely establish a long-term, stable policy of making collective ownership the main constituent in agriculture. As to the ways of management, the autonomous rights of the collective economy should be respected, and all the production brigades and production teams should become enterprise units which have independent accounting, which assume sole responsibility for profits or losses, and which have been granted the right of integration vertically and horizontally. The forms of integration or combination can be varied and should not be unified. Within the collective enterprises, various forms of the production responsibility system should be established, particularly forms linked to output. For the cadres, the system of personal responsibility closely associated with personal benefits should be practiced. New problems in the production responsibility system should be continuously investigated and solved, with a view to perfecting the system as production develops.

Various economic forms should be permitted to coexist even within the structure of state farms. The measures of democratic management, forms of the responsibility system linked to output, and other measures should be studied or practiced, while upholding the essential nature of the ownership by the whole people. But these measures should be taken with due consideration paid to the specific conditions of the farms and should not be copied indiscriminately.

Under the condition that public ownership gets the upper hand, household sideline production should be developed vigorously. In actual life, there might exist some contradictions between the household sideline production and the collective or state-run economy, but they can be easily resolved once management and leadership are strengthened. As a matter of fact, the sound development of household sideline production can exert a positive influence on the collective economy. Based on the actual situation in the countryside, the proportion of household sideline production in the total agricultural output value should be appropriately raised. To achieve this aim, some practical and effective measures should be adopted, such as: expanding the quantity and extent of privately owned land and household sideline production of commune members; given the characteristics of our country, where there is a lot of barren land and hills and a broad expanse of water areas, and based on the specific conditions in different localities, some privately owned hilly, sandy and water areas may be assigned to commune members; with regard to the prices of products, credit facilities, taxes, sales of products, the supply of materials and other things, specific policies that facilitate the development of household sideline production should be formulated.

Under the condition that the public-ownership economy enjoys absolute superiority, it is also necessary that a small quantity of the agricultural individual economy be allowed to exist and develop. The reason is that there are many mountainous regions in our country, and some regions have a very low level of production and basically have a kind of natural economy, and the peasants live in widely scattered areas. In these regions, in comparison with the collective economy, the individual and personal economy can more effectively mobilize the initiative of the peasants in production activities and can better utilize the rich natural resources in the mountainous regions. Of course, the individual economy does have the limitations of small-scale production. Therefore, investigations and studies should be conducted to ascertain under what conditions this kind of economy can be allowed to exist and develop, and how it should be supported, guided and managed, so as to formulate a series of practicable and concrete policies.

2. Establish a good agricultural ecological system.

A good ecological environment is the basis and a very important condition for developing agriculture. For a long time, under the erroneous "leftist" ideology, our agriculture violated the natural laws of agricultural production, resulting in serious destruction of the resources in farming, forestry, animal husbandry, sideline production and fishery. We should earnestly draw a lesson from this in our future work.

We should comprehensively carry out the policy of comprehensively developing the five categories of farming, forestry, animal husbandry, sideline production and fishery. Letting neither grain displace forestry, animal husbandry, sideline production and fishery, nor the latter displace the former. In the work of plantation, the structure of the varieties and the system of cultivation must be rationalized. The principle of the combination of land utilization with land preservation must be practiced. Agriculture should be reformed with the techniques of modern agricultural biological science. The traditional experiences in agriculture such as the utilization of manure derived from the excrement of men and animals, green manure, pond-sludge manure, stalks for use as manure in fields, rotational cultivation of grain and manure, and so on, must be popularized. All these measures can combine modern science and technology with traditional experiences, paving the way for low consumption, low cost and high gains.

Attention must also be paid to the problem of ecological equilibrium in the work of water conservancy. In the past, there were considerable achievements in water conservancy, but because engineering administration had not been combined with biological control, some reservoirs were seriously clogged with mud and sand. In recent years, there have been very serious floods in some provinces. One of the important causes was the destruction of forests, vegetation areas and the ecological equilibrium. The current policy in water conservancy, besides the engineering administration itself, should place emphasis on the conveyance system and the improving of results, and should combine engineering administration with biological control, paying particular attention to water and soil conservation and also the expansion of vegetation areas. Capital construction in agriculture should be done in a down-to-earth way and strive for practical results, so as to fully utilize the existing water resources in our country. In the reservoirs and water areas, fishery and cultivation of aquatic industrial products should be developed, and this will help to maintain the water resources with the gains from aquatic products.

Forestry work is a great undertaking that can transform nature, benefit our contemporaries and enhance the well-being of posterity. In order to establish a good ecological environment, active planting of trees and grass must be carried out. We assume that by the year 2000, the forest cover rate will be raised from the present 12.7 percent (the actual figure is still lower) to about 20 percent, and this will require very great efforts. The first thing to do is to gradually slow down the excessive logging of forests and to stop the destruction of forestry resources. The second thing is to effectively plant and protect more trees and to increase vegetation areas. In this respect the key issue is how to solve well the problem of supplying fuel to agricultural households and wood used by the public. For this purpose, aside from developing methane, small-scale hydroelectric power, solar energy and other fuel sources, special attention should be paid to planting fuel forests and fast-growing forests, because they possess the merits of strong adaptability, short growth period, a wide range of uses, and small investment with fast results. In the plains areas, household fuels and wood used by the public are very scarce, and the problem of ecological equilibrium is serious. Therefore, the key issue in the current afforestation of the plains areas is to make the farming fields into a network of trees and to plant trees all around farm houses. Attention should also be paid to the potential and function of woody plants and oils. It is estimated that if all the hilly areas and all the unused space around households or farming fields are fully utilized to grow woody grain, oils, fruits, and also bamboos and medicinal herbs, the farming area would be twice as large as it is now, and the country's total food output would increase by 1/4 to 1/2 under present conditions.

To quicken the pace of afforestation in our country, the fundamental way is to mobilize the initiative of millions of commune members (staff and workers) in planting and conserving trees. This necessitates more efforts in management. For example, specialized groups or households can be assigned the exclusive task of planting trees on the barren land and hills owned by the state or the collective; part of the barren hills can be allotted to the commune members as privately owned hills, thus mobilizing thousands of households in the work of afforestation. In this way, trees can be planted more quickly and their growth rate will be high.

The problem of ecological environment should also be solved well for the development of animal husbandry and fishery. At present, nearly half of the meadows in our country have degenerated, because too many animals are feeding in the fields, exceeding the capacity of the fields, and the construction of meadows has been neglected. From now on, the following measures should be taken: designate the number of animals according to meadow conditions, have a rational assortment of animal species, and set a rigid limit for the number of animals feeding in the fields; develop artificial forage grass based on land conditions, and gradually set up bases for forage; in those pastoral areas where the number of privately owned animals is comparatively large, meadows can be allotted to set up a responsibility system for meadows with regard to grassy hills and slopes that are not suitable for stock raising, the livestock should be confined to certain areas and fed with grass cut from the fields, so as not to spoil the vegetation and to avoid soil erosion; with regard to ill-used grassy plains, hills and slopes, scientific plans should be worked out to rationally use them and to avoid indiscriminate reclamation; methods should be devised to raise the growth rate of livestock, the percentage of meat yield from livestock, and the commodity rate of livestock, and to lower the consumption rate of forage; and so on. In recent years, the fishery resources in the coastal water areas and the fresh water regions have been drastically spoiled. Of the eight main categories of fish of economic value, some have basically lost the ability to regenerate. For a rather long period of time from now, the fishery resources should be well protected, setting up zones where fishing is prohibited and stipulating periods when fishing is prohibited in coastal waters that have suffered from serious misuse. The outlet for developing fishery is mainly dependent on artificial fish breeding, and on the carrying out of the policy of combining fish breeding with fish catching, with proper emphasis on breeding. Special efforts should be exerted to develop fresh water breeding, because it can limit the quantity of fishing in coastal waters to a rational extent, thus facilitating the protection and rehabilitation of fishery resources, and, what is more, restore and maintain a certain portion of water areas that will benefit irrigation work and regulate the local climate. Also, the pond sludge resulting from fish breeding is a good organic manure. Besides, some measures in the southern provinces, such as building mulberry-based fish ponds and sugarcane-based fish ponds, and combining the growing of vegetables, raising of pigs and breeding of fish, should be actively practiced because they closely integrate fishery with plantation and animal husbandry and help to promote mutual progress.

To sum up, our agriculture should be guided by the laws of ecological equilibrium. All the measures concerning engineering, machinery and technology, and also the whole system of cultivation, and the structure and arrangement of crops, should conform to this law without exception.

3. The economic structure in the countryside should be readjusted.

On condition that the general grain output increases steadily, the proportion of industrial crops, forestry, animal husbandry, sideline production, fishery, industry, commerce and communications should be increased in the total output value and the assignment of the labor force. In 1980, the ratio of the output values of grain and industrial crops was 7 to 3. The ratio of the output values of agriculture and forestry-animal husbandry-sideline production-fishery was also 7 to 3. The output value of industry run by the production teams amounted to 14.5 percent of the total agricultural output value. According to abundant sources from our own direct investigation and general statistics, a rough picture can be visualized: for production teams that give an average income of over 150 yuan per person, the income of forestry, animal husbandry, fishery and industrial sideline production amounts to more than 40 percent. For production brigades that give an average income of over 300 yuan per person, the income of forestry, animal husbandry, fishery and industrial sideline production amounts to around 60 to 70 percent. For brigades that give over 400 yuan per person, the income of forestry and others amounted to as high as over 80 percent. Conversely, for teams that give an average income of less than 50 yuan per person, the income of forestry and others amounts to only 20 percent or lower. That is to say, the proportion of diversified economy bears a very close relation to the amount of income of peasants. Besides, if the proportion of diversified economy is high, the capability to fight natural calamities can be increased. Take Shandong Province for example. In 1980, grain production decreased by 3.55 percent because of natural calamities, but because the proportion of the output value of industrial crops increased from 28.7 percent in 1978 to 37.1 percent in 1980, the average per capita income still increased by more than 28 percent. Of course, what constitutes a rational ratio that should be maintained between the diversified economy and grain production has to be decided with reference to the concrete conditions of different periods and different places.

From now on, in the work of readjustment three kinds of relationships should be dealt with properly:

First, the relationship between grain and industrial crops-forestry-animal husbandry-sideline production-fishery should be handled well. In our country, in the years 1979 and 1980, the area sown with grain was readjusted with a total reduction of over 60 million mu. These mu were converted to growing industrial crops or used as forestry and animal husbandry areas. In 1981, the sown area of wheat and early rice continued to be reduced, this time by 23 million mu. But, despite this, total grain output maintained a steady increase. This was mainly because: 1) land unsuitable for growing grain was planted with industrial crops that save labor, water and manure, and thus more labor, water and manure could be concentrated on growing grain crops, resulting in an increase in grain output compared with the method of extensive cultivation; 2) after the practice of alternate or rotational farming of grain with fertilizer, the fertility of the soil was enhanced, and the per unit area yield of grain was raised; 3) with industrial crops and forestry-animal husbandry-sideline production-fishery increasing, more manure and capital could be put into grain production; 4) the peasants and cadres of basic units fully understood that they had to have enough grain to live on and had to develop stockbreeding. Therefore, they adopted various measures to raise the unit output and the total output after the reduction of the farming area sown with grain. But it should be clearly understood that the two tasks stand in contradiction to each other in the problem of land utilization. Thus, when the proportion of industrial crops and forestry-animal husbandry-sideline production-fishery is being raised, the production of grain must be tackled with the greatest effort. Agriculture is an important constituent part of the entire socialist economy, so even after practicing the production responsibility system, we should persist in the policy of letting the planned economy play the key role, supplemented by regulation by market mechanism. Under the present condition in which the unit output of grain cannot be raised, the area for grain cultivation should not be further reduced. Besides, in order to guarantee the needs of people's life in cities, the suburbs should become a base for the supply of vegetables, meat, eggs, poultry and other nonstaple food--this is a problem to be solved well in the future.

Second, the relationship between rational utilization of farmland and the development of mountainous areas, grassland and water areas should be handled properly. In the past, there were many instances of irrational utilization of farmland, such as putting all the added investment in high-yield fields, with the resulting high costs but very small increases in output, and the aftermath was that the output of the medium- and low-yield fields could not be enhanced. From now on, while stabilizing the output of high-yield fields, efforts should be mainly concentrated on raising the output of medium- and low-yield fields, and also on improving dry land production. The potential for an increase in output is great for the low-yield fields and medium-yield fields (over 70 percent of the total farmland), and also for the dry land, because greater economic results can be achieved with comparatively less investment. In other respects, hills, water areas and grass resources have not been fully utilized. Of these resources, 74 percent can be used for agricultural production, but in fact only a little more than 10 percent is being utilized: about 3 billion mu of land suitable for forestry have not been used; of the 250 million mu of inland fresh water, less than 1/5 has been used for raising fish, and output has been low; and 3.3 billion mu of grasslands and 1 billion mu of grassy hills and slopes in the south have been poorly utilized. From now on, hills, water areas and grassland should be rationally exploited so as to supply large quantity of woody grains and oils, fruits, meat, milk, fish and so on, thus satisfying the needs of society and enabling the peasants of our country to prosper faster.

Third, the relationship between the various industrial, marketing and communications trades should be handled properly. Comprehensive management of the production, processing, marketing and transportation of agricultural products is essential for changing the irrational system of management which separates the trades from each other, restoring the inherent association of these branches in the agricultural economy, and rationalizing the economic structure and the system of management in the countryside. At present, because commodity production in the countryside is not very prosperous, and the degree of specialization and socialization of agricultural production is not high, the extent of organizing the comprehensive management of agriculture, industry, commerce and transportation should not be too great. Based on the principle of specialized collaboration and economic rationalization, loose associations can first be organized without changing the system of ownership, and solid economic associations can be gradually established with the development of this process. This process will be a long-term one, and no groundless administrative interposition should be allowed. Besides, things cannot be dealt with in a hurried way.

4. Socialist commodity production should be developed.

Developing commodity production and raising the commodity rate has much to do with rapidly developing our agriculture and helping the peasants to prosper. According to typical statistics, in production teams where there is average income of over 150 yuan per person, the commodity rate reaches 55.2 percent, but in production teams where there is an average income of under 50 yuan per person, the commodity rate is only 18.5 percent. In the whole country, the commodity rate of agricultural products has reached only a little more than 30 percent, which lags far behind that of developed countries. In order to develop commodity production and raise the commodity rate, the following problems should be dealt with properly:

First, as to the arrangement of production, concentration of production must be appropriately based on the concrete conditions of the land. Regionalization, specialization and intensive operation should be gradually achieved. Only in this way can we improve our technology, improve our varieties, increase the output per area unit, and enhance the labor productivity and the commodity rate. For instance, the 157 counties that serve as bases for goat raising have furnished the state with 60 percent of the purchased goat skins; in 1979, the 17 sugarcane bases in Fujian Province produced 99.4 percent of the total quantity of sugar in the province.

Second, great efforts should be made to develop the diversified economy and the work of processing agricultural sideline products. The production of the diversified economy is basically a kind of commodity production. Therefore, the focal point in the development of commodity production should be centered on this aspect.

Third, the form of the responsibility system of specialized contracts linking production results with remuneration will be a strong impetus to developing commodity production. Specialized households need only a small amount of investment and have low costs but can provide greater results, thus enabling the stockbreeding and other undertakings to greatly raise the commodity rate. For example, more than 30,000 specialized pig-raising households and key households in Liaozhong city supply the city with 30 percent of the pigs consumed; in Rushan County, Yantai Prefecture, the specialized chicken-raising households and part-time households of a single production brigade supply 1/7 of the purchased eggs of the county. It can be asserted that specialized households and their combined units are a form of economy that holds great prospects for developing socialist commodity production.

Fourth, circulation channels should be kept open. For many years, under the erroneous influence of "leftist" ideology, the relations between production, circulation, distribution and consumption in the course of reproduction were severed. The planned economy was treated as contradictory to the development of commodity production, and this resulted in confusion and bad results. Since the 3d Plenary Session of the 11th CCP Central Committee, in many places there has emerged the coexistence of diversified channels and diversified forms of marketing, and the rural markets have been more brisk. But, generally speaking, the problem of the system and structure of commodity circulation is far from being fundamentally solved. Under the unified plans and management of the state, various elements of the commercial economy should be allowed to exist, with the state-run commerce as the backbone. The economic results of these sectors should be coordinated, so as to have more channels and fewer links, with a view to enlivening the market and guaranteeing supply.

Fifth, communications and transportation in the countryside should be actively developed. The stagnation of commodity production in some places is owing to the stagnation of communications. Various forces of the state, the collective and the individual should be fully mobilized to run the work of transportation, with special attention being paid to villager-run transportation, which has great potential for development, and to bring the functions of railroad, highway and water transport into full play. Great attention should also be paid to communications construction in mountainous regions and border areas.

Sixth, the construction of small market towns and small towns should be stepped up so that they can be developed into trading centers, centers for industry and sideline production, centers for food and other services, and centers for cultural and technological activities, with the result that agricultural commodity production can develop further.

5. Agricultural science should be actively developed.

Because of the readjustment of various policies concerning the countryside, the initiative of the broad masses of peasants has been enhanced to an unprecedented degree, and a new situation has begun to emerge with the masses learning and applying different branches of science. The task ahead is to make good use of this favorable situation to actively develop agricultural science, so as to raise the level of scientific farming and breeding and the level of scientific management.

An important problem in raising the level of scientific farming and breeding is the low level of technology in the countryside, and the low scientific, cultural and management levels of commune members and cadres of the basic units. According to typical investigations, of the rural labor force, illiterate persons amount to 26.4 percent; those who know a few characters, 18.3 percent; those who have a primary education, 31.5 percent; those who have a secondary education, 23.7 percent; and those who have a college education, 0.1 percent. In the countryside, technical personnel are very scarce, and some communes do not even have any technical personnel.

In view of this situation, we should:

First, grasp well the work of eliminating illiteracy. First, the illiteracy among young and middle-aged people must be eliminated within a given number of years. Then primary school education can be made universal, and in some regions both primary and middle school education can be made universal.

Second, the agricultural educational structure and system should be reformed. At present, the ratio of the students in agricultural institutions of higher learning to those in technical secondary education is 1:2, and the spare-time schooling of peasants is nearly nil. In France, the ratio of students in agricultural colleges, secondary schools and spare-time schools is 1:20:20. According to the concrete conditions of our country, equal attention should be paid to these three levels of agricultural education. When distributing education funds, the proportions for the last two kinds of education should be appropriately increased.

Third, agricultural scientific research and technical popularization systems should be set up and perfected. In our country, agricultural scientific research work is rather backward, and technical popularization is particularly backward. Since liberation, thousands of positive results in agricultural scientific research have been achieved, but few have been really popularized. From now on, special emphasis should be put on the work of popularizing technical know-how. Not only should we pay attention to the research and popularization of modern agricultural science and technology, but also sufficient emphasis should be put on the summing up and enhancement of our traditional agricultural techniques, so that the two can be combined effectively. The recently introduced form of the responsibility system linking technology with output is an effective form for promoting science and technology and should be actively popularized. Emphasis should be placed not only on training technical personnel in various kinds of agricultural schools, but also on training "local experts" and skilled craftsmen.

Fourth, the role of existing scientific and technical personnel on the agricultural front should be brought into full play. The number of scientific and technical personnel on the agricultural front of our country has long been insufficient, and at the same time there exists the serious problem that a large number of these personnel are working in units that have nothing to do with their schooling. According to related statistics, personnel who were graduated from our agricultural colleges or secondary schools since liberation and are still working in agriculture-oriented units amount to a little more than 1/3 of the total number. In other words, nearly 2/3 of these graduates have been transferred to work in other departments. This is a tremendous waste. The main causes of this phenomenon are: 1) the authorities concerned do not pay attention to agricultural science; 2) in the agricultural units, working conditions are poor, and rewards are low politically and materially; and 3) some specialties are not suitable for local application. We have the following suggestions: 1) the work of transferring agricultural technical personnel back to their professional posts should be done properly; 2) the political and material conditions of agricultural technical personnel should be improved, and help should be given to them to solve their practical problems; and 3) while doing good work in the forecasting of production development, agricultural education should be well planned, so as to avoid inapplicable or impractical subjects.

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ON SPIRITUAL CIVILIZATION AND MARXISM

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[Article by Zhang Qihua [1728 0796 5478]]

[Text] Our country has entered a new historical period. During this period, we will build a socialist material civilization and at the same time spare no efforts to building a socialist spiritual civilization. This work is urgently needed in our present modernization program and is demanded by basic Marxist principles. Therefore, various departments and units must put this work in a very important position.

From a Marxist point of view, civilization is the product of the development of the history of the social progress of mankind as well as the criterion of mankind's social progress. In primitive society, people lived under uncivilized and barbaric conditions because of the extremely low level of productive forces. They led a life of "eating coarse foods, drinking soup made of foliage, wearing animal skins in winter and wearing leaves in summer." They were not concerned with spiritual civilization. Following the constant development of social productive forces, people began to depart from the uncivilized and barbaric era and to enter the civilized era. Historically, civilization includes two aspects--material and spiritual. When Marx and Engels talked about the "production of the whole world" in "German Ideology," they particularly noted that this production "also includes spiritual production." They called the production of the whole world, which includes spiritual production, "global overall production" and pointed out that this is "what is created by people." ("Collected Works of Marx and Engels," Vol 3, p 42) Therefore it can be seen that material civilization and spiritual civilization are like the two wings of a bird and they are indispensable in every period of the development of civilization. Material civilization is the base and source for the building of spiritual civilization, while spiritual civilization has a powerful reaction on the building of material civilization. The development of spiritual civilization can in no way be divorced from the development of material civilization; neither can the development of the latter be divorced from that of the former. These two aspects condition and supplement each other.

Spiritual civilization has a different nature and content in different eras. For example, slave society, feudal society and capitalist society created their own science, culture, health and sports that were or are in line with the economic conditions of their own times and the political ideology and the concept of morality that were or are in a ruling position. In particular, the capitalist society, where productive forces have developed drastically, not only has created a material civilization that has a wealth much greater than the total wealth since the beginning of history, but has also created a spiritual civilization that is much higher than the spiritual civilization of any previous society. But in a class society, there exists exploitation of man by man and oppression of man by man, and consequently people's spiritual life is deformed and far from complete, with both civilized aspects and ugly and uncivilized aspects. This feature is most prominent in a capitalist society. Engels once pointed out profoundly that the basis of bourgeois civilization is "exploitation of one class by another class and therefore all its development is carried out in the contradictions that often happen." These contradictions are shown in the fact that "when one thing is good for some people, it is naturally bad for some other people and that when one class wins a new liberation it naturally means a new oppression for another class." Therefore Engels concluded that "the more the civilized era develops, the more it puts the cloak of love on the bad things it naturally created, so as to whitewash or deny them,--in short, it habitually practices hypocrisy." ("Selected Works of Marx and Engels," Vol 4, pp 173-174) Engels pointed out here that spiritual civilization under the system of slavery, exploitation and oppression naturally has a nature of hypocrisy and contradictions. The socialist society is based on the public ownership of the means of production; it is a brand-new social system in the history of mankind. In a socialist society it is necessary to build both a highly developed material civilization and a spiritual civilization that is more developed than any class society. Without highly developed material civilization there will be no foundation for spiritual civilization, and without highly developed spiritual civilization it is not possible to form a highly developed material civilization. Therefore, it is necessary for a socialist society to create a more advanced and higher stage of spiritual civilization on the basis of critically absorbing the excellent fruits of all spiritual civilizations created by our predecessors.

Basing himself on the viewpoint of Marxism and Leninism and proceeding from the specific conditions of our country, Comrade Zhao Ziyang expounded the main contents of socialist spiritual civilization in his report on government work to the Fourth Plenary Session of the Fifth NPC. These contents include the scale of the development and the level of education, science, culture, art and literature, health and sports, and the orientation of the development and the development level of social political ideology and ethics. The purpose of building socialist spiritual civilization is to transform our people of various nationalities into a people with aspiration, morality, discipline and culture.

Some people hold that the concept of "spiritual civilization" was never used in Marxist and Leninist works and, therefore, they are doubtful about advocating the building of socialist spiritual civilization. The fact is that it makes no difference whether such a concept had been used before; the question is whether there is such an idea. For example, it was mentioned above that in "German Ideology" Marx and Engels mentioned the "production of the whole world" and that "spiritual production is also included," and these words no doubt also include the ideology of "spiritual civilization" that is being mentioned by us today. In addition, it is not difficult for us in reading Marxist and Leninist works to find that Marxist classic works have on many occasions made important and concrete expositions on this question.

Now let us talk about the first aspect of socialist spiritual civilization. Marxism always holds that the development and popularization of education, science and culture is a great motive force for promoting the development of society. In the "Manifesto of the Communist Party," Marx and Engels put forth 12 important socialist measures and they stressed the importance of "combining education with material production." ("Selected Works of Marx and Engels," Vol 1, p 273) Marx said time and again that in order to change social conditions, "the corresponding education system is needed." ("Collected Works of Marx and Engels," Vol 16, p 654) Marx and Engels spoke highly of the role played by natural science in developing society and pointed out: "Modern natural science and modern industry have changed the whole natural world and put an end to people's naive attitude toward nature and their naive activities." (ibid., Vol 7, p 241) Lenin inherited Marx' and Engels' ideology and paid great attention to carrying out scientific and cultural education among the masses. He repeatedly pointed out: "If we say that it is necessary for us to destroy outer obstacles, then we particularly feel that the most arduous work is to reeducate the masses, organize and train them, popularize knowledge and fight against the heritage of ignorance, lack of civilization and barbarism we have accepted." ("Selected Works of Lenin," Vol 3, p 816) He also said: "In order to build communism, it is imperative to master technology and science and enable the broad masses of the people to use them." ("Collected Works of Lenin," Vol 30, p 419) He said: "People will become communists only when they are able to enrich their brains with all the knowledge that has been gained by mankind." He pointed out that "a communist society cannot be built in an illiterate country." ("Selected Works of Lenin," Vol 4, pp 348, 357)

Now we should talk about the wrong aspect of socialist spiritual civilization. Directed against the viewpoints which deny the important roles of politics and ideology in the development of society, Marxist classic works on several occasions clearly pointed out that although the development of politics, law and philosophy is based on economic development, this development has an influence on the economic foundation and cannot be neglected. Marx and Engels pointed out in the "Manifesto of the Communist Party": "The communist revolution means completely breaking away from the relationships of traditional ownership; it is not strange that in the process of its development, it thoroughly breaks away from traditional concepts." ("Selected Works of Marx and Engels," Vol 1, pp 271-272) To "thoroughly break away from traditional concepts" in fact includes denial of the political ideology and ethical morality of the exploiting classes and the establishment of communist political ideology and ethical morality. In this respect, Lenin inherited and developed Marx' and Engels' brilliant ideology.

Lenin paid particular attention to educating the masses of people with communist ideology. He said: "Strictly speaking, so-called communism means working for society without pay, no consideration of the differences between individuals, no old viewpoints, no conservative psychology, no old habits, no difference between various working departments and no difference in labor pay." ("Collected Works of Lenin," Vol 30, pp 160-161) He also pointed out that "communist morality is the morality of uniting the laborers to oppose all exploitation and oppose all small private ownership services." ("Selected Works of Lenin," Vol 4, p 353) He called on the people to "strive to abolish the cursable convention of 'each for himself and God for all' and overcome the practice that regards labor as a burden and holds that any labor must be given a certain pay." ("Collected Works of Lenin," Vol 31, p 104)

The above-mentioned citations show that the education, science, culture, political ideology and ethical morality expounded in Marx' classic works are important contents of the socialist spiritual civilization we are talking about today. Therefore, it can be seen that the question of spiritual civilization occupies a very important position in the Marxist ideological system.

Some people ask: Is it not also necessary for capitalist countries to develop science, culture, sports and health? How can we say that these are the contents of socialist spiritual civilization? Our answer is that this is because our country is developing these aspects with a socialist nature and contents. Science includes natural science and social science. Natural science has no class character, and we cannot say that there is a proletarian science and a bourgeois science. But our natural science must serve the socialist modernization program and must take dialectical materialism and historical materialism as the guide for its world outlook. On the other hand, social science has a very strong class character. Therefore, it must have Marxism as its guide. Its political viewpoint and ideological tendency must be in line with the four basic principles and must serve the consolidation and development of the socialist system. Like social science, education, culture, and art and literature must also serve socialism and take Marxism as their guiding ideology. They must also have different socialist contents and regard it as their own important tasks to form a new ideology, new spirit and new social practices. There is no doubt that health and sports must also serve socialism and must take Marxism as their guide in world outlook. Therefore, our work of developing science, culture, sports and health is of a different nature than that in capitalist countries.

Although these two aspects of socialist spiritual civilization have different nature and contents, they are interrelated and influence each other. Cultural cultivation and scientific knowledge have a great influence on people in forming their communist world outlook and moral outlook. The formation of the communist world outlook and moral outlook will inspire people to further display their talent and wisdom and to further improve the level of their cultural and scientific knowledge. But these two aspects cannot be mentioned in the same breath and be regarded as the same thing. In our view, the core of socialist spiritual civilization is a communist world outlook and moral outlook. It is nothing other than this kind of world outlook and moral outlook and thorough revolutionary spirit that manifest the features of socialist spiritual civilization. They represent a basic difference from capitalist and feudal spiritual civilizations. The key point in building socialist spiritual civilization is to educate the masses with communist ideology so as to enable them to form communist aspirations, beliefs and world outlook and to heroically struggle for the realization of communism in our country. Advanced cultural knowledge and scientific technology will be able to serve our modernization program only when they are mastered by people armed with communist ideology, and it is only they who are able to ardently take part in socialist labor with high consciousness and shoulder heavy responsibilities. Therefore, in building our socialist spiritual civilization, we must put education on communist ideology and morals in the primary position.

Some people might ask why, since the requirements for building socialist spiritual civilization are so high, it is possible to build such a civilization in our country with fairly backward material conditions? Do we not violate the principle of historical dialectics of "social ideology being determined by social existence" if we do so? We believe it is necessary to clarify this question.

First of all, when Marxism affirms that social existence determines social ideology, it also affirms that social ideology is comparatively independent. It is true that material civilization is not philosophical social existence while spiritual civilization is not social ideology. But we can say that the progress in the material living conditions of mankind, the progress in labor tools and technology, and the growth of the material wealth of material civilization constitute an important part of social existence and are part of the productive forces (it is generally known that the basic thing in social existence is the mode of production of goods and materials and that the mode of production includes the two aspects of productive force and production relations). On the one hand, it is true that some contents of spiritual civilization which represents progress in the wisdom and morality of mankind do not belong to social ideology, and this part includes some cultural knowledge, health and sports. But another major part does belong to social ideology (social ideology includes such forms as political ideology, the ideology of rights, morality, science, philosophy, art and literature, and religion). Therefore, in investigating the relationship between material civilization and spiritual civilization, we can completely follow the law of the relationship between social existence and social ideology as expounded by historical materialism. That is to say, we must first of all acknowledge that spiritual civilization is the foundation and the source of material civilization, and we must also acknowledge that spiritual civilization is comparatively independent. The development of spiritual civilization and the development of material civilization do not necessarily and mechanically balance or maintain a definitive relationship.

Second, the development of spiritual civilization has its own particular laws. The various parts of spiritual civilization rely on material production to different degrees. Generally speaking, the scale and level of the development of education, science, culture, hygiene and physical training directly reflects the degree of development of social economic life and of material production. They are directly conditioned by material conditions, and they often and directly play their roles in the development of social productive forces. But none of these are absolute. Under certain conditions, advanced art and literature and philosophical ideology might occur in an economically backward country. Political ideology, moral concepts and prevailing social habits are conditioned by material conditions. What is more important is that they have a relationship with material production through the production relations and the political and legal system based on these relations. The nature of the relations of production and the nature of a social and political system directly determine social political ideology and morals. Therefore, when Marxism affirms that social existence determines social ideology, it also acknowledges that, under certain conditions, a country with a relatively backward material civilization might surpass another country with advanced material civilization in regard to spiritual civilization. At the same time, a country with advanced material civilization might have a lower degree of spiritual civilization than another country with backward material civilization. Even within a country, the development of spiritual civilization has not always accorded with the development of material civilization in different historical periods. This has often occurred in history.

Marx particularly spoke of the balance between material production and artistic production. He said: "With regard to art, we all know that its particular prosperous periods do not develop proportionately with the general development of society and therefore do not develop proportionately with the material base, which serves as the skeleton of social organization." ("Selected Works of Marx and Engels," Vol 2, pp 112-113) For example, under the conditions in which material production was not greatly advanced, some ancient Greek literature and art such as the epics "Iliad" and "Odyssey" are characterized by profound ideological description and superb art, and even the later generations who read these works were amazed at such artistic creation. There are a number of such examples in modern world history. For example, by the end of the 18th century, French philosophy and political ideology had already surpassed those of economically advanced Britain. In the mid-19th century, Germany was economically backward and politically divided, but the philosophical ideology of this country was the world's top at that time and this country became the birthplace of Marxism. Engels termed this situation "an economically backward country being able, philosophically, to play the first violin." (ibid., Vol 4, p 485)

Such situations have also occurred in different historical periods in our country. During the war against Japanese aggression, the material conditions were fairly poor in Yan'an and yet this place was termed by all the progressive people as China's "most pure place" and a "sacred revolutionary place." The food, clothing and living conditions were very poor in Yan'an, but fine sons and daughters of the Chinese people living there cherished great political aspiration and lofty morals. The relationship between men was characterized by equality, mutual help and militant friendship. With high spirits and vigor, they displayed an arduous revolutionary spirit, closely united in their common struggles and were confident of the victory of the communist cause. It is apparent that in these aspects the extent in the development of spiritual civilization in Yan'an far surpassed that of the regions under the control of the Kuomintang which had better material conditions. Our material conditions were also comparatively backward in the 1950's and early 1960's, yet we made great achievements in building socialist spiritual civilization while people's ideological consciousness, spiritual outlook, social practice and moral cultivation reached a considerably high level. This shows that a fairly advanced spiritual civilization might occur in a country with fairly backward material conditions.

Similarly, the development of material civilization does not mean the progress of spiritual civilization. In the world today, the material civilization in the United States of America is the highest, but the spiritual life there is very poor and the relationship between men is nothing but a relationship of money; the words "each for himself and God for all" have become a justified moral principle. American moral standards are amazingly low. America's artistic arena is full of decadent elements. Murder, theft, burglary and drug taking are very common, and the whole society is affected by decadence, degeneration and instability. It is only natural that this country has been described by some people as "a materially rich man and a spiritual beggar."

In short, the extent of the development of spiritual civilization is not absolutely determined by material wealth. It is not against Marxist basic principles to build spiritual civilization in a country fairly backward in economic terms.

Of course, when we pay attention to the building of spiritual civilization, this in no way means that we may neglect the building of material civilization. It is true that material civilization and spiritual civilization are often unbalanced but, basically speaking, the former is the foundation and source of the latter. In the final analysis, building a high degree of spiritual civilization must depend on a highly developed material civilization. Therefore, we can at no time neglect the building of the economy. We must dialectically analyze the relationship between material civilization and spiritual civilization; we must in no way understand them metaphysically; we must not counterpose material civilization with spiritual civilization. On the contrary, we must unitedly build and coordinate these two civilizations. We must understand that the material production in our country is still comparatively backward, but because of the correct leadership of the party, the superiority of the socialist system and the common efforts of the people across the country, we will certainly build our motherland into a great and powerful socialist country with a high degree of material civilization and spiritual civilization.

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A NEW PHENOMENON IN POSTWAR MONOPOLY CAPITALISM--DEVELOPMENT OF ECONOMIC INTEGRATION

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[Text] After World War II, certain countries in Western Europe combined economically to form economically integrated groups of varying types. This fully indicated the tendency toward economic integration in the development of monopoly capitalism. Studying the objective basis for the appearance of this new phenomenon and analyzing its structure and economic influences are extremely important for achieving an understanding of the new postwar world economic and political pattern and the trend of its development.

I

Economic integration means a number of countries effecting a close-knit economic union and carrying out to varying degrees joint regulation in certain sectors of social reproduction. Viewed from the standpoint of the capitalist system, owing to differences in the socioeconomic foundation and in the development level, this kind of economic union includes the economic integration of monopoly capitalism and the economic integration of the developing countries. The economic integration of monopoly capitalism is the result of the daily aggravating contradiction between, on the one hand, the internationalization of the economic life of monopoly capitalist countries and the high degree of development of state monopoly capitalism and, on the other hand, the barriers of the bourgeoisie countries. It is also the product of the intensified contradictions between the imperialist countries.

As early as during the period of laissez-faire capitalism, the growth of giant industries induced various countries and localities to engage in the international division of labor and to take part in the world market. The tendency of economic life becoming internationalized was already apparent. Following capitalism's entering the stage of monopoly, this tendency gathered force and developed steadily. After World War II, propelled by the scientific and technological revolution, international division of labor, international trade and international investments rapidly flourished among the monopoly capitalist countries. The number of transnational corporations doubled, increasing quantities of commodities, capital and labor power were absorbed in international exchange, and the internationalization of economic life reached a new stage of development. But this development has been increasingly hampered by the barriers of the bourgeoisie countries. The development of production forces requires the breaking down of these barriers and the achievement of economic coordination and alliance between the countries. Thus, the tendency of economic life to become internationalized has become the objective basis and motive power for propelling the monopoly capitalist countries in the direction of alliance.

Concurrently, the progress of the scientific and technological revolution and the socialization of production have also promoted the development of state monopoly capitalism. The state has endeavored to intensify its economic functions and has begun to engage in intervention and regulation of the national economy in an all-round way. But, under the circumstances of a high degree of development in the internationalization of economic life, depending on economic regulation within one country alone is far from sufficient. Moreover, vigorous contradictions and conflicts existed between the monopoly capitalist countries in international competition, and without international coordination and regulation, economic development would be hampered. Consequently, there arose the necessity of the countries concerned to jointly engage in regulation on an international scale. During the postwar period, in international economic activities there emerged international economic organizations of a far-reaching nature, such as the international currency sinking fund, World Bank, and organizations for agreements on customs excises and trade. So far as the monopoly capitalist countries are concerned, the activities of these kinds of organizations exercised, in a way, the function of international regulation. But regulation of this kind spelled only the beginning and played a very limited role. In order to further achieve the objective of international regulation, it is necessary to reach a higher level and a higher form of international regulation. This means that the governments themselves must form alliances of countries and achieve economic integration.

The economic integration of monopoly capitalism formed on the basis of the internationalization of economic life and a high degree of development of state monopoly capitalism mean, in essence, the countries concerned joining together on a basis of state monopoly capitalism and carrying out economic regulation on an international scale. But, owing to the actual situation in which contradictions and conflicts between the monopoly capitalist blocs and between the imperialist countries are becoming increasingly intensified, this development results in only a portion of the monopoly capitalist countries forming economic blocs which are limited to certain localities. This is because: First, the nature of monopoly capitalism and the uneven state of the economic and political development of capitalism have brought about multifold contradictions and intense struggles between the monopoly capitalism of the various countries and the countries representing their interests. Just as the developmental trend of centralized monopoly cannot make the various monopoly organizations combine together to form a "world trust," neither can the tendency toward integration make the developed countries form a "world alliance of state monopoly capitalism." Second, the purpose of some of the countries forming a group is to build up the superiority of their own bloc, which must be exclusive and preclusive. The participating countries band together their individual markets to form a common market under the protection of a tariff wall. Its principal purpose is internally to exclude or squeeze out commodities of a third country and externally to augment their competitive power. However, if alliance is expanded without limit, these points of superiority will disappear. Third, an integrated alliance will necessarily reinforce the close economic relations and the mutual assistance between the participating countries as well as promote their political combination. Hence, it requires a relative proximity between the participants in regard to their level of economic development and their political and economic interests. The postwar outward expansion of the superpowers has actually compelled other countries to band together closely as a means of resistance against the control and hegemony of the superpowers. As a result, developed countries which have common interests in the international economic and political struggles and are more or less of the same status have to band together on the basis of their common interests. For this reason, the economic integration of monopoly capitalism can only take place in the form of a regionally integrated group, and in a place which possesses the most solid foundation and best conditions for so doing. Historical development has shown that Western Europe is precisely this region.

Western Europe is an economically developed area where capitalism has achieved a rather high degree of development. The area it covers is not large, but it has a large number of countries. Western European countries rely heavily on the international division of labor and on the international market. In particular, they rely heavily on each other. When the European Economic Community was first established, the reciprocal exports of member countries already constituted 30 percent of their gross export value. Moreover, a firm foundation had also been laid for the reciprocal infiltration of their monopoly capital. For example, the Ruhr and Saar districts of West Germany, Lorraine and the northern part of France and the triangular area formed by Belgium's southern portion and Luxembourg constitute the central coal- and steel-producing areas of Western Europe. In these areas, a close network of monopoly capital of these countries has long been in existence. For this reason, the contradiction between Western Europe's highly developed production and its internationalized capital, on the one hand, and the narrow national markets, on the other hand, have become increasingly severe and the common demand for breaking down the national barriers, strengthening economic alliance, and implementing interregional regulation has become the motive force for bringing about the economic integration of Western Europe. Besides, Western Europe is an area where state monopoly capitalism appeared early and rapidly flourished. After the war, in the Western European countries the union between monopoly capital and the government was further strengthened, the state's regulation of economic life greatly developed, and state monopoly capitalism advanced to an unprecedentedly high plane of development. This provided the necessary basis for the states themselves to organize an economically integrated group.

Changes in the economic and political status of the Western European countries have constituted important conditions for the growth of an economically integrated community in Western Europe. Over a rather prolonged period in history, Western Europe has been the world's major economic and political center. Because of the uneven development of capitalism, and after two world wars, the power and status of the Western European countries fell considerably. After World War II, economically they could hardly compete with the United States while politically and militarily they were gradually menaced by the Soviet Union after the beginning of the 1950's. Only by banding together could they effectively defend their independence and sovereignty and protect their own interests. This shows that the Western European economically integrated bloc was formed to resist the superpowers. At the same time, the Western European region is the world's largest international market, and it is here that traders of the monopoly capitalist countries engage in intense struggles against each other. The formation by the Western European countries of a bloc taking the form of a common market protected by a united tariff wall and highly exclusive in character was in reality tantamount to setting up a regional and collective tariff wall to help in the market struggles. Struggles of this kind reflect not only the contradictions between Western Europe and the United States but also the conflicts between the six Western European countries and Britain, and, in particular, between France and Britain. The development and evolution of these complex contradictions have played an important role in the formation and ultimate expansion of this Western European integrated community. In addition, for the purposes of protecting the Third World, particularly the traditional interests in Africa, and ensuring, safeguarding and expanding the supply of raw materials as well as foreign markets and investments, the Western European countries must also reinforce their alliance to help them in world competition.

II

Over the past 20 years, Western Europe has set up two economically integrated blocs one after another. This illustrates that the economic integration of monopoly capitalism in the Western European region has already obtained a fairly large development. Their respective joint economic practices embody the integrated structure for the international regulation of state monopoly capitalism inside each bloc.

The European Economic Community was formed in 1958 by the six countries of France, West Germany, Italy, Holland, Belgium and Luxembourg. In 1973, Britain, Denmark and Ireland joined the community and in 1981 Greece was admitted. Thus, it became a 10-nation community. In the aspect of economic alliance, the community first of all formed a tariff union to enable the industrial products of the member countries to be free of duties and to freely circulate in unlimited quantities within the group. Externally, a common customs tariff was in force and a common market for industrial products was formed under the protection of a tariff wall. On this basis, the coordination of the bloc's internal economic and social policies and the formulation of common policies were gradually carried out. The direction of development was aimed at the formation of an economic alliance.

The European Free Trade Alliance was formed in 1960 by the seven countries of Britain, Denmark, Norway, Sweden, Switzerland, Austria and Portugal. Afterward, Iceland joined while Finland became a "liaison member-nation." Its organizational form is that of a free trade zone of relatively low-level integration. Between the member countries, their industrial products may freely circulate and are tax exempt. Externally, there are no uniform tariff rates, and no common foreign trade policy has been formulated. Up to now, the alliance has not yet reached the level of a tariff alliance, which was achieved much earlier by the community.

The principal embodiment of economic integration is the carrying out inside the bloc of the international regulation of state monopoly capitalism. As a community unit, this international regulation is first seen in the circulation sector. In this connection, the basic activities are constituted by the setting up of a tariff alliance and a common market for agricultural products. The reason why the community is also known as the Common Market is because it first of all and principally carries out international regulation of the sales market.

To a certain degree, international regulation on the part of the community also touches on the production sector. In this connection, it plays a relatively greater role in the agricultural sector. The major points are the following: It regulates agricultural production through fixing common prices for agricultural products whereby those in short supply are subsidized and those with a production surplus are subjected to intervention in sales and production. It enables the agricultural products to maintain relatively higher prices and thus stimulates production, through levying a disparity tax on agricultural products from outside the bloc and granting a subsidy on the export of agricultural products. It makes use of the common agricultural fund to support the revision of the agricultural structure and to promote the expansion and modernized management of farms. On the industrial side, direct planning and regulation are effected in such links as the distribution of raw materials, investment and production in the coal, steel and atomic energy industries.

The development of the community's international regulation activities also extends to the distribution sector. The community has set up its own community-level budget system. The 1981 budget estimated revenues and expenditures at 20.8 billion Eurodollars (roughly equivalent to $25.6 billion). The member countries undertake to forward 90 percent of the customs duties they collect on industrial products and from the agricultural products price-disparity tax and up to 1 percent of the value-added tax to the community chest to constitute its budgetary revenue. The budgetary expenditures are primarily devoted to the European agricultural sinking fund, the European regional development fund, the European social sinking fund and the European development-aid fund. Its steadily increasing volumes of budgetary revenue and expenditure indicate to a certain degree some sort of international regulation over the redistribution of the member nations' national income.

In order to ensure the free circulation of industrial and agricultural products inside the bloc and to avoid any undue influences on the fluctuations in currency value and exchange rates of the various countries, the community has extended its international regulation and intervention deep into the currency sector. In the early 1970's, it formed an economic and currency alliance and initially coordinated the currency policies of the member countries. In March 1979, the European currency system formally came into being. It stipulated the Eurodollar as the basic unit for settlement of accounts between the member countries and for reserve purposes. The central exchange rate between the currencies of the member countries and the Eurodollar was fixed, and on this basis the reciprocal exchange rates of the various currencies were also determined. A limit was placed on the fluctuations of the exchange rates of the member countries. A European currency sinking fund amounting to 25 billion Eurodollars was set up for the purpose of stabilizing the exchange rates between member countries.

The community also extends its international regulation activities into the field of external economic and trade relations. While the tariff alliance and the common agricultural policies already embody various kinds of regulations governing foreign economic and trade relations applicable to the member countries, the community has additionally acted as a separate entity to establish formal relations and conclude trade agreements with third-party countries. Up to now it has established formal relations with over 120 countries and signed nearly 100 trade agreements of various kinds. The community also pays special attention to coordinating relations with the developing countries. Acting on the basis of the system of liaison countries, which was already in force, the community successively signed, in 1975 and 1979, trade agreements with scores of African, Caribbean and Pacific countries. It conducted separate "talks," or signed trade and economic cooperation agreements, with the League of Arab Nations, the Association of Southeast Asian Nations and the Andes Treaty Organization.

The development of economic alliances naturally leads to and promotes political alliances. In fact, the community countries have already achieved varying degrees of development in coordination and cooperation in such fields as politics, foreign affairs and security protection.

III

The postwar economic integration tendency of monopoly capitalism reflects the developmental demands of the productive forces and the internationalization of economic life. It reflects certain adjustments in international economic relations. Hence, the economic alliance, in varying forms, of the economically integrated groups and the regulation of state monopoly capitalist countries have necessarily affected economic development.

First, international regulation in the circulation sector has promoted the growth of trade inside the bloc. For example, during the transitional period (1958-1969) following the community's formation of the tariff alliance, the gross value of its foreign trade averaged a growth rate of 11.5

percent annually, but the growth rate of trade between the member countries was as high as 16.5 percent. From the end of the 1950's to the early 1970's, the relative proportion of trade within the bloc in the gross value volume of the foreign trade of the member countries rose from 30 percent to over 50 percent.

Second, the development of capital centralization and monopoly in the member countries has been accelerated. Strengthening the economic alliance and the gradual elimination of the limits of national markets have naturally intensified competition among the enterprises of the member countries. This in turn has forced the big enterprises to strengthen their monopoly alliance and to expand the scale of their production. Governments of member countries have also adopted policies and measures to promote the expansion and merging of their enterprises in order to augment the competitive power of the monopoly capital of their own countries. At the same time, in order to strengthen their competitive power with foreign, particularly American, monopoly capital, the community itself has encouraged the merging of corporations of the member countries and jointly forming European-scale corporations to enhance resistance. In addition, the intensification of competition has also tended to bring about the conclusion of monopoly agreements of various sorts.

Third, the development of the international division of labor within the bloc, of production specialization and of technological cooperation has been facilitated while an increase in the investment level has been promoted. The internal markets of the group have been expanded and have developed in depth. This has created advantageous conditions for the internal division of work within the departments and for specialized large-scale production. In the early 1970's, in the internal trade within the community, 3/4 of the trade consisted of industrial finished products and semifinished products while under the European free trade alliance, this proportion was 4/5. At the same time, after economic alliances were formed, progress has been made in coordination and cooperation in the fields of science and technology. The results of development along these lines have naturally increased the labor productivity rate.

Fourth, promotion of agricultural production has been facilitated. The community's implementation of a common agricultural policy has expanded the internal and external markets of agricultural products and increased their production. Reform of the agricultural structure along with production centralization has promoted the modernization of agricultural production and management. During the period from the early 1960's to the early 1970's, the annual growth in the agricultural labor productivity rate of the original six members of the community was as high as 7.5 percent, and from 1958 to 1975 the increase in agricultural production in the six countries was 50 percent. These figures are relatively high even among developed countries.

Fifth, internationally, the economic and political comparative strength has been further changed. The formation and development of the two Western European economic blocs have brought about a comparatively large increase in the economic strength of the Western European countries. Take, for example, the European Economic Community. In 1958, the value of industrial output and the gold and foreign exchange reserves of the six member countries were about 1/2 those of the United States and the volume of their foreign trade about equaled that of the United States. In 1979, the gross value of the internal production of the nine countries of the community exceeded that of the United States while the volume of their export trade and their gold and foreign exchange reserves surpassed those of the United States, respectively by 200 percent and over 500 percent. Including the free trade zone, which has been organized by the community and which comprises 18 European countries and the member countries of the European Free Trade Alliance, an extensive Western European economically integrated group, with the European Economic Community as the nucleus and comprising all the major Western European countries as members, has become a reality not to be ignored in the international economic arena. Economic union has propelled the Western European countries to cooperate with each other in various fields and has raised the status and role of Western Europe in international affairs. In this way, in economic and political relations, Western Europe and the United States have basically acquired the status of equal partners. Concurrently, this has become an important force stemming the progress of Soviet hegemonism.

However, it can readily be seen that this type of alliance and regulation must necessarily meet with, and, in fact, has already met with, many complex contradictions and various kinds of limitations. The reasons are: First, this type of international regulation is based on the state monopoly capitalism of the member countries, and the state monopoly capitalism of the various countries first and foremost serves the interests of the monopoly capital of their own countries. The member countries have differences with regard to the degree of development, the principal form, and the policy and measures of regulation. Besides, following the increase in the number of constituent members of the community, the disparities between them in economic development and economic structure have increasingly widened. This impedes the implementation of common policies and the execution of supernational regulatory activities. Second, the various countries all have in their respective countries certain economic levers which can affect reproduction. These might be said to include the system of ownership by the state, taxation, investments placing orders for goods, loans and so on, all of which are tools to intervene in and regulate the national economy. Unfortunately, basically speaking, these are lacking in an integrated group. Third, an integrated group is an association of autonomous states. Economic alliance and joint regulation cannot proceed without unanimity in negotiations, but the very socioeconomic basis of monopoly capitalism causes an imbalance in development between the member countries and between the social groups and localities within the bloc. Thus, contradictions occur frequently. Take the European Economic Community for example. Here contradictions exist not only between the big countries like France, Britain and West Germany, who are forever bickering among themselves in their struggle for economic interests and for leadership power, but also between the big and small countries, between the countries which have achieved varying degrees of development, and between countries which export industrial products and countries which export, besides industrial products, large quantities of agricultural products. Naturally, contradictions are inherent between different monopoly capital blocs, between industrial areas and agricultural areas, and between developed localities and still backward localities. These contradictions cannot be eliminated just by regulatory activities between countries. On the contrary, under the new conditions, new contradictions and conflicts tend to continuously arise. In recent years, contradictions have been especially apparent in regard to such problems as the common agricultural policy and the community budget. In fact, the existence and development of contradictions within the bloc have delayed the conclusion of certain integration agreements, and have hindered and even disrupted the implementation of certain fixed policies. In particular, during periods when crises of a cyclical nature erupted, the contradictions and conflicts between the member countries intensified and in turn caused losses to the alliance and the regulatory activities. Because of the above-mentioned factors, the development of West European economic integration has been far from smooth. Since the 1974-1975 world economic crisis, with the exception of the formation in 1979 of the European currency system, progress in economic integration has almost come to a standstill, and even progress in the European currency system has been slow. It has developed very slowly and has been confronted with many problems because of the economic recession in recent years, the high interest rates in the United States, and the rise in the value of the U.S. dollar.

In short, the economic integration of monopoly capitalism, as seen in the formation and development of the two economic blocs of Western Europe, constitutes a partial change within the sphere of the capitalist production form in the international production relations of capitalism of the present era. Its properties determine that it must be subjected to the economic laws of capitalism and that it cannot resolve the basic contradictions of capitalism, far less the unbalanced development of capitalism and the contradictions and conflicts existing between the monopoly capitalist countries. Therefore, it may be said that the economic integration of monopoly capitalism has a dual character. On the one hand, it can regulate international production relations to suit the socialization of production and the development of productive force and, on the other hand, it can promote centralization and monopoly and further intensify the contradictions of capitalism. As we all know, state monopoly capitalism constitutes the highest form of socialization of capital relations within the sphere of the capitalist production form. A step further forward will refute this production form itself. Integrated economic alliance and international regulation, as the developed pattern of the internationalization of state monopoly capitalism, have developed on the basis of the internationalization of economic life and, in fact, have promoted the further development of the internationalization of economic life. At the same time, they have in reality provided the material logical premise and preparations for the eventual realization of a united world economic system based on the system of public ownership and highly socialized. This shows the historical position and role of the economic integration of monopoly capitalism.

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CONTENTS

Let the Motherland's Seedlings Grow Even More Sturdily (pp 2-4)
(Editorial) 1

A Brilliant Example of the Party's Leadership in Literature and Art (pp 5-6)
(Commentator) 6

Arid Areas in the Northwest Should Attach Importance To Planting Trees and Grass and Developing a Diversified Economy (pp 7-8)
(Commentator) 10

Grasp the Building of Material Civilization With One Hand and the Building of Spiritual Civilization With the Other (pp 9-13)
(Wang Shoudao) 13

Enhance the Role of Banks and Develop Domestic Capital (pp 14-17, 8)
(Liu Hongru) 23

Earnestly Carry Out Research on the Economies of Developing Countries (pp 18-22)
(Qian Junrui) 31

An Important Reform in the Supreme State Administrative Organs (pp 23-26)
(Xu Chongde) 39

Cherish the Motherland's Honor, Safeguard National Dignity (pp 27-30)
(Wang Bingnan) 46

Transport Workers Should Strive To Become Vanguards in Propagating Socialist Spiritual Civilization (pp 31-33)
(Pan Qi) 52

Grasp Firmly the Central Link—Ideological Education (pp 34-36)
(Xin Cheng) 57

Teachers Should Set Examples in Building Socialist Spiritual Civilization (pp 37-39)
(Yu He) 62

It Is Helpful To Study the Theory of Reproduction (pp 40-42)
(Huang Zhigang) 67

Dialectically Ponder Over Economic Problems (pp 43-45, 42)
(Zhang Jing) 72

Are Capital Construction and Expanded Reproduction One and the Same Thing? (pp 46-47)
(Li Mengbai) 78

Can Robots Produce Surplus Value? (pp 47-48)
(Tan Huazhe) 81

Several Practices in Intensive Farming (inside back cover)
(Wen Jianhu) 84

LET THE MOTHERLAND'S SEEDLINGS GROW EVEN MORE STURDILY

Beijing RED FLAG in Chinese No 11, 1 Jun 82 pp 2-4

[Editorial]

[Text] Our party has always shown loving care for children and has placed high hopes in them. Comrade Mao Zedong long ago encouraged children to "study well and make progress every day" and expressed the hope that "children will close their ranks and study to be new masters of new China." Comrade Deng Xiaoping also "hopes that children throughout the country will resolve to be people with ideals, morality, knowledge and physical strength and will resolve to make contributions to the people, the motherland and humanity." In February last year, the CCP Central Committee Secretariat gave more instructions on work with children; it called for mobilizing forces of the whole party and the whole society to take an active interest in the healthy growth of children and to regard successfully nurturing and educating children as their strategic task, and it adopted many important measures for carrying out this task. Party organizations at all levels have responded to the call of the central authorities and conscientiously strengthened leadership over work with children. As a result, a new phase has emerged in the work of educating children. Nurtured painstakingly by and under the loving care of the party, and with the consideration and protection shown and given by the whole society, our country's children are like seedlings which have broken through the soil and are bathed in the sunlight and bounty of the socialist system. They are growing up strong and healthy. The Chinese children's spirit of vigorously making progress shows that they are full of promise.

It will be a protracted struggle for building our country into a powerful socialist country with a high degree of material civilization, a high degree of spiritual civilization and a high degree of democracy, and for holding high the great banner of communism, to persevere in our striving for a final victory. It will be necessary to carry on this struggle generation after generation over a long period of time. Children who are now between 7 and 14 years old will become a powerful labor army within 20 years. They will become the main strength of the construction and defense forces for realizing the cause of socialist modernization, and will achieve the magnificent goals of the four modernizations. To accomplish this historical mission, we must train our children to become people with the highest level of political consciousness, selfless and perfectly impartial and absolutely devoted to the cause of communism; we must train them to become people who are firm and indomitable, imbued with the spirit of revolutionary optimism; train them to become people with courage to think and speak out, highly creative in a revolutionary way and daring to struggle against any backward elements that hinder the advance of our society; and train them to become masters of the latest scientific and technical knowledge, capable of effectively conquering nature and thus benefiting the people. In short, our country's children should be trained to become new socialist men.

Bringing up such a new generation is certainly no easy job; it requires great effort by the whole party. In particular, during the building of our socialist spiritual civilization, we should be farsighted and think of and view things strategically, judging from the level of the development of our scientific, educational and cultural undertakings and judging from the direction in and the level of the development of people's political and ideological characters such as communist ideals, values and morality, we can see that the education and training of children are a means of laying foundations. Leading comrades of the central authorities have repeatedly noted: The development of communist traits of morality such as lofty ideals, the spirit of sacrificing one's own interests for the sake of others and civilized manners and habits should be started during childhood. Comparatively speaking, firmly grasping the education and training of children and enabling people to foster communist values from childhood have far greater significance. Comrade Deng Yingchao explained this point in her speech at the capital's report meeting in celebration of 1 June, International Children's Day. She said: "Promotion of work with children is the starting point for molding the people, a process which will take 100 years. Promotion of work with children is also the starting point for building material civilization and socialist spiritual civilization and for fostering a generation of people of a new type. This is a most important step we take during the great course of building socialism and fighting for the cause of communism." This is because by molding our children now in accordance with communist ideology and morality, we can change the mental outlook of a new generation of people who will become adults in less than 20 years. Children who are now 5 or 6 years old have no memories of the 10 years of civil strife and even children now 13 to 14 years old are relatively less tainted. Our principal task concerning these children is "maintaining health" and not "curing illness." Moreover, because of their youth their thinking and character are more malleable. They are readily receptive to teachings on the differences between truth and deception, between good and evil, between beautiful and ugly, and between correct deeds and wrong deeds. It is also easy for them to cultivate habits. Moreover, children are very imitative and handle affairs conscientiously. The education a person receives in his childhood will directly affect his lifelong development. Their good thinking and behavior will also have a certain influence in various social situations.

In educating our children in communist ideology and morality, we should attach importance to teaching them the five virtues of love. According to Article 22 of the Draft of the Revised Constitution, "The state promotes the virtues of love for the motherland, the people, labor, science and socialism." Thus the actual contents of and demand for teaching the five virtues of love. Education in the five virtues of love is education in patriotism, collectivism and communism. To foster and develop these socialist virtues throughout the society, we should start with fostering and developing them among children, because children happen to be the future masters, pillars and backbone forces of our country and our whole society.

During the recent "five stresses and four beautifuls" and "all-people civility and courtesy month" campaigns, vast numbers of children responded to the call of the party and enthusiastically participated in activities within their power under the correct guidance and leadership of teachers and of instructors from the Young Pioneers. As a result, the children have been educated and tempered. However, there is a noteworthy problem: While asking children to pay attention to civilization, order and discipline, some comrades have established quite a few restrictions and restraints, thus rigidly keeping children within bounds. We can illustrate this problem with the following case: A child has just visited Chairman Mao's former residence at Zhongnanhai. The child's mother asked what her child saw there. The child grumbled that he only saw the back of the head of his schoolmate standing in front of him. Why? Prior to the visit, the children were told to observe this discipline: "You must follow the one in front of you; you must not whisper to each other; and you must not glance right or left." How could they issue these trivial orders to restrict and restrain the children's innocence and liveliness, which are children's natural characteristics!

It is very important to teach our children to understand manners and observe discipline and social order. To suit the needs of this kind of teaching, there should also be a requirement of a fair and reasonable moral standard. However, we must not neglect to foster the child's indomitable will, his lively, bright and cheerful disposition, and courageous and fearless spirit. This kind of fostering is also an important aspect of spiritual civilization. If we persist in stressing obedience and do not allow our children to express differing views, we will probably turn them into people who unthinkingly become blind followers when problems arise. We should guide our children to have the courage to dissuade others from giving rise to unhealthy tendencies, uttering wrong words and taking erroneous actions, and to struggle against such tendencies, words and actions. We must not turn them into yes-men and cowards who are afraid of getting into trouble. We should teach our children to be ready to take up the cudgels for a just cause and to be enthusiastic in helping companions in dire peril, and also in helping the old, weak, sick and disabled. We must not turn them into selfish people who hang back in the face of danger. We should also make it possible for our children to be imbued with vitality and strong faith in life and to be lively, cheerful, optimistic and highly creative. We must not turn them into reticent young people who dare not speak and laugh in public and lack vigor and drive. Only if we pay attention to all these aspects can our children meet the party's expectations of healthily growing up to be successors in an all-round way.

It is our party's fine tradition to care for the healthy growth of children and it is the Chinese people's communist virtue to have deep love for a new generation. Those who care for the motherland's future and destiny will definitely care about the children's development. It is the whole party's undertaking to nurture and educate children. Our party has always cared for nurturing and educating children. All party organizations must continue to broaden their understanding of the strategic significance of training successors for the cause of communism, and implement the guiding principle of the party central authorities for mobilizing forces of the whole party and the whole society to strengthen the education and training of children. Schools, families and society must truly strive to coordinate their work, make joint efforts and fulfill their respective duties. It is imperative to overcome the views that issues concerning children are not issues that concern the general situation. It is also imperative to overcome the theory of natural growth which has these arguments: "Without grasping agriculture, there will be no grain; without grasping industry, there will be no steel; without discipline, children will still grow up" and "Although the flowers have been cultivated purposefully, they do not bloom; although some willows have been planted unintentionally, they now shade the lanes." We can surely promote educational undertakings for children as long as party organizations at all levels make reasons, gains and losses clear to all party members and take the lead in promoting educational undertakings for children.

Childhood is a period for growing up physically and also for absorbing knowledge. Children must study cultural knowledge but they also want entertainment, games and places to exercise. This means that our party and the whole society must try in every possible way to create conditions for promoting children's education and activities. We must make primary education universal and enable all children of school age to receive primary school education. We must also try in every possible way to strengthen preschool education and do well in running childcare centers and nursery schools. We should also build more clubs for children's after-school activities such as the children's palaces. We should hold small-scale and varied summer camps for children and effectively organize their holiday time. As the central authorities have decided to turn an official garden into a national center for children's activities, big and medium-sized cities throughout the country should also set aside their best houses and buildings for children's activities. Vast numbers of children have not had some children's palaces open to them for a long time. Such a situation must be changed.

With the restructuring of organs and with the reshuffling of leading groups, a large number of veteran cadres will either retire or leave jobs to recuperate. All veteran cadres have gained revolutionary experience. They are an important force for educating the children in the revolutionary tradition. We should organize retired veteran cadres to participate in the social activities of educating children. Old people have a deeper love for children. To them, seeing innocent and guileless children is just like seeing fresh blooming flowers; allowing them to participate in the activities of educating children can also fill their later years with great joy.

At present, cases of infringing upon children's rights and interests and cases of trampling on children have been occurring repeatedly. Some places for children's activities have been willfully invaded and occupied; due to serious pollution of the environment that is in close vicinity to some schools, the physical and mental health of children there are affected; some schools still have corporal punishment; and some children still face discrimination, maltreatment, physical punishment and abuse. In particular, from time to time children have been humiliated and beaten for exposing economic crimes and safeguarding social morality. Children are children after all. Their ability to revolt against and resist attacks is inferior. They need adults' protection and they want adults to speak for them. Both the state and the whole society are responsible for protecting children. This responsibility, above all, is the responsibility of party organizations. The Communist Party serves the people, including children. Our party organizations at all levels must pay close attention to safeguarding children's legitimate rights and interests. They must mobilize forces of the whole party and the whole society to form powerful and lasting public opinion and supervision for successfully safeguarding children's legitimate rights and interests. It is imperative to urge the departments concerned to prosecute those people who have seriously trampled on children.

The motherland's seedlings can surely grow even more sturdily as long as comrades throughout the party become hardworking gardeners.

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A BRILLIANT EXAMPLE OF THE PARTY'S LEADERSHIP IN LITERATURE AND ART

Beijing RED FLAG in Chinese No 11, 1 Jun 82 pp 5-6

[Article by Commentator]

[Text] To mark the 40th anniversary of the publication of his "Talks at the Yanan Forum on Literature and Art," Comrade Mao Zedong's 15 private letters to writers and artists were published. The publication of these letters is of great significance in the correct and comprehensive understanding of the fundamental spirit of the "Talks," in the strengthening of the party's leadership over literature and art and in the adherence to the orientation of serving the people and socialism.

Comrade Mao Zedong's letters to writers and artists are not ordinary letters to old friends or individuals. Through these letters, we can deeply feel his loving care for the literary and art circles and his patient and systematic guidance for the literary and art workers. Proceeding from the actual conditions, he always realistically solved various problems in the literature and art fields and guided the literary and art workers to advance in the correct direction. These letters are a brilliant example of the party leadership in literature and art.

The question of whom literature and art should serve has always been a fundamental question. In these letters, Comrade Mao Zedong also considered this question of primary importance. Since "the life at present is also a struggle," he particularly stressed that "we need militant works now," and that "both Yanan and the border regions badly need dramas reflecting the struggles in the enemy's rear flanks." Although the situation is different today from that of the war period, it is still an important task for writers and artists to reflect the people's struggles and life in the revolution and construction. In these letters, he enthusiastically supported the work of popularizing literature and art. He affirmed the role played by the journal POPULAR LITERARY AND ART PRACTICE, which was aimed at helping correspondents and beginners raise their writing ability, and affirmed the article "Forms of Yangko Opera," which summed up the experiences of this opera. On the question of how to comprehend Lenin's talks on art with Clara Zetkin, Comrade Mao Zedong held that revolutionary literature and art should place their bases among the masses and serve the masses, so that "the feelings, thoughts and will of the masses" which were dispersed due to economic, political, geographical and national reasons, could be "united" through the spread of literature and art. That is, as an artistic form spreading ideology, exchanging feelings and arousing consciousness, literature and art must promote the unity of the people so that they will take an active part in the fighting with one heart and one mind. It was proceeding from this principle that Comrade Mao Zedong affirmed the play "Be Driven to the Liangshan Mountain," which "reveals history in its true colors." The orientation Comrade Mao Zedong pointed out here for literary and art work is the same orientation he repeatedly stressed in his "Talks" and is certainly the only correct orientation of serving the people and serving socialism, which we must adhere to in our literature and art work today. Under no circumstances should our literature and art deviate from the general orientation of uniting the people, educating the people and encouraging the people to join in the revolution and construction with one heart and one mind.

A very important question for our party in leading literature and art is how to correctly handle the relations between the party leaders and the literary and art workers. This has a bearing on whether the large number of literary and art workers can be closely united around the party and whether their enthusiasm can be brought into full play to create more and better works for the people. In these letters, Comrade Mao Zedong always fully affirmed the achievements and progress of the writers and artists with immense zeal. Understanding the orientation of serving the workers, peasants and soldiers after the Yanan forum on literature and art, a large number of literary and art workers plunged into the fiery struggles and soon scored new achievements. With his keen strategic insight as a proletarian revolutionary and politician, Comrade Mao Zedong paid close attention to this new development. When Comrade Ding Ling and Ouyang Shan wrote two special features about two exemplary people in cooperative work in the Shaanxi-Gansu-Ningxia border region, Comrade Mao Zedong "finished reading them in one breath after taking a bath and before going to bed" and wrote immediately to the two comrades, extending his "congratulations to the Chinese people and to both of you for your new writing style." Although this letter was written dozens of years ago, it is so ebullient that it still touches the receivers' hearts when they reread it today. Comrade Ding Ling said: "I was greatly encouraged by this letter and thus began my new writing style. What is my new writing style? It is none other than writing about the workers, peasants and soldiers." Comrade Ouyang Shan said: "Whenever I recall this letter, I always feel a strong force that spurs me on." Today, when we read these letters, Comrade Mao Zedong's teachings still warm our hearts. We deeply feel that Comrade Mao Zedong was really an intimate friend and teacher of the literary and art circles.

Comrade Mao Zedong took a serious attitude toward the work in the literature and art fields as well as in other fields and had a strong sense of principle. While enthusiastically and cordially affirming and encouraging the writers and affirming their achievements, he also offered his sincere and comradely criticisms and aid and gave explicit and hearty directions to them. When he was informed by a writer about the situation in Yanan, he first replied in the affirmative that there actually were unhealthy practices in Yanan which needed to be rectified. At the same time, he hoped that the writer would also "pay attention to one's own weak points and not to look at things one-sidedly." "One must pay attention to the correct handling of one's relations with other people and must compel oneself to intentionally examine one's weak points." He also required the writers to "examine their works with the Marxist viewpoint." Whenever we read these sincere words and earnest requirements of Comrade Mao Zedong today, they still touch our hearts. A speech made by Comrade Chen Yun in 1943, which was republished simultaneously with the publication of these letters, embodies the same principle and spirit. In this speech, Comrade Chen Yun criticized two shortcomings in the literary and art circles at that time. "One is privilege and the other is arrogance." He requested our party's literary and art workers to first regard themselves as ordinary party members and not learned scholars. He also asked them not to unrealistically overestimate the roles of literary and art work as well as personal achievements and talents. This is still of important and immediate significance today. Literary and art criticism is an important aspect of the party leadership in literature and art. It includes commending good and excellent works and criticizing bad and erroneous works. Under no circumstances should we give up the weapon of criticism. Some people dare not carry out principled criticism over the works or viewpoints which have obvious erroneous tendencies for fear that the enthusiasm of the writers and artists may be dampened or that they themselves may be blamed as "wielding big sticks." Thus, the party leadership has become lax and weak. This situation must be changed. However, there is also a problem of method and result in carrying out criticisms. The method of criticism displayed in Comrade Mao Zedong's letters, which is highly principled, must be taken as an example for our leaders at various levels and for literary and art workers when carrying out literary and art criticisms.

Comrade Mao Zedong was a great Marxist, and a great poet, too. He was knowledgeable on the law of art. He also paid serious attention to the investigation and study of the situation in the literary and art circles. Before he made the speech at the Yanan forum on literature and art, he listened attentively to various opinions. He discussed with Comrades Ouyang Shan and Cao Ming "problems concerning the literary and art policy," and then wrote to them, asking them to "collect NEGATIVE opinions for me." [capitalized word underlined] From here we can see that Comrade Mao Zedong not only paid attention to listening to positive and similar opinions but also paid attention to listening to negative and different opinions. All correct and realistic policies, principles, schemes and plans should be worked out after sufficient investigation and study and after listening to both positive and negative opinions. Comrade Mao Zedong's "Talks" is a brilliant Marxist work. This is inseparable from his spirit of investigation and study.

Forty years have passed since the publication of the "Talks." These letters were also written more than 30 or 40 years ago. Now, as the situation has changed, Mao Zedong's literary and art thought must also be developed in the light of the new situation and our historical experiences. The past erroneous tendency of studying Comrade Mao Zedong's "Talks" and other works with a dogmatist attitude must be prevented. However, Mao Zedong's literary and art thought is still of important guiding significance today. Total repudiation of Mao Zedong's literary and art thought under the pretext of past mistakes or other reasons is an expression of bourgeois liberalization and must be resolutely opposed. We must adhere to the basic principles of Mao Zedong's literary and art thought and continue to follow the brilliant example of Comrade Mao Zedong in leading the work in the literature and art fields. We must adhere to Mao Zedong's literary and art thought and the guidance of Mao Zedong Thought. This is the only correct road for the development of our revolutionary literature and art.

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ARID AREAS IN THE NORTHWEST SHOULD ATTACH IMPORTANCE TO PLANTING TREES AND GRASS AND DEVELOPING A DIVERSIFIED ECONOMY

Beijing RED FLAG in Chinese No 11, 1 Jun 82 pp 7-8

[Article by Commentator]

[Text] Having little rainfall, some arid areas in the northwestern part of our country, such as Gansu Province, suffer more from natural disasters. In these areas, it is relatively difficult to make agriculture prosper at one stroke. However, with large territories and rich resources, these areas have bright prospects and favorable conditions for developing a diversified economy.

Our problem, however, is that quite a few cadres in charge of rural work in these areas have a poor understanding of the importance of a diversified economy, and know little about how to promote it. Unaware of the bright prospects of developing a diversified economy in these areas, they have failed to readjust crop planting distribution in light of the actual situation and according to local conditions. In fact, these areas should grow more industrial crops and should not attach sole importance to the production of grains on existing farmland. There is no doubt that it will be relatively difficult to change the face of these backward areas if they depend solely on grain production.

To effectively promote a diversified economy requires resolution and persistence. The drive to promote a diversified economy must be pushed forward several times a year, and constant and continuous attention must be paid to the work. Furthermore, investment in agricultural construction must be adjusted accordingly, and more funds should be allocated to promote a diversified economy. Old practices must be cast off and new paths opened up in accordance with new circumstances.

However, the most important step is to vigorously plant trees and grass so as to change the arid condition in the area. To launch this drive, we must courageously criticize the thinking that tree and grass planting will not be successful without water conservation projects. More than 100 years ago, Zuo Zhongtang, then governor of Shaanxi and Gansu Provinces, planted poplars and willows along the road stretching from the Shaanxi-Gansu border to Yumen. In noticing Zuo Zhongtang's merit, someone wrote a poem for him, a verse of which reads, "Poplars and willows have been planted along a road 3,000 li long, and thus the spring breeze is brought to Yumen Pass." Although a feudal bureaucrat, Zuo Zhongtang still had such boldness of vision! How can we communists be afraid to embark on similar projects? We must have firm faith that we can do a better job than he did if we are really determined. Last December, when talking to the comrades of Sichuan Province, Comrade Deng Xiaoping strongly urged them to plant trees and grass. Planting trees and grass has many benefits. It can conserve water and soil, purify the air, regulate climate, ease pollution and prevent sand from being blown by the wind. In fact, this is a radical way to expand the area of vegetation, conserve soil and water, maintain an ecological balance and preserve the environment for the cycling of matter, which is indispensable for human existence. Therefore, all arid areas must pay attention to this work and should never lower their guard.

Organs, schools, PLA units, and enterprises must be vigorously mobilized to take the lead in planting trees and grass. For these areas, how many trees a person must plant a year is not an essential question. Instead, we should try our best to plant as many trees and as much grass as possible under existing conditions. We must widely publicize the drive to plant trees and grass and carry it out in a big way.

We should also be determined to develop animal husbandry, such as cattle breeding, sheep breeding and so forth. About 2,000 years ago, Ma Yuan, a well-known figure in the Han dynasty, achieved his great cause of developing animal husbandry in Gansu. It is thus clear that husbandry has been well developed in Gansu in historic times. In order to vigorously develop husbandry, we must pay attention to properly preserving grasslands. Although there are vast grasslands in these areas, the number of livestock they carry is low as scientific methods have not been used to popularize a fine variety of pasture and management of the grasslands is poor. Such a situation must be completely changed.

Furthermore, great attention must be paid to developing the processing industry for agricultural, sideline and special local products. Great importance must also be attached to light industry and manufacture of products by minority nationalities, so that they can be developed as soon as possible.

We must urge our cadres to go to grassroots units to conduct investigations into the problems involved in promoting a diversified economy and planting trees and grass. We encourage more investigation and study, learning from the masses and from practice, because our cadres' knowledge in this field is limited and their ability to solve problems is poor. This is the only way to enhance the knowledge of our cadres.

Undoubtedly, our cadres in these areas such as Gansu have many merits which are worth being developed. They are loyal, hardworking and honest. However, some of them also have several weak points: For example, they are not sufficiently openminded and farsighted, and consequently, they are not readily receptive to new matters. In fact, thev are restricted by objective conditions. In remote border areas like these, culture is underdeveloped and people are poorly informed. Therefore, we must pay close attention to arming our cadres with modern scientific knowledge. We must educate them to broaden their view and open their minds by learning from people who have advanced experiences and are well versed in scientific knowledge. Our slogan is to take advanced people as our teachers and arm ourselves with scientific knowledge.

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GRASP THE BUILDING OF MATERIAL CIVILIZATION WITH ONE HAND AND THE BUILDING OF SPIRITUAL CIVILIZATION WITH THE OTHER

Beijing RED FLAG in Chinese No 11, 1 Jun 82 pp 9-13

[Article by Wang Shoudao]

> [Text] Editor's note: We commend this investigation report to the readers. As circumstances permit, the veteran comrades pay visits and carry out investigations in the lower levels each year and meticulously compile written reports afterward. It is a very good sign and should be encouraged in a big way. By so doing, first, they will be able to keep in close touch with the actual conditions, and better propagate and implement the principle, lines and policies of the CCP Central Committee; second, they will be able to discover certain problems and put forth suggestions--this is the most practical advisory work; third, taking the lead in so doing, the veteran comrades pass on their valuable experience to the cadres in power and particularly, the younger cadres.

This spring I carried out an investigation of factories and villages in the municipalities of Guangzhou, Shenzhen, Zhuhai, Zhongshan, Xinhui, Jiangmen, Foshan, Nanhai and Conghua. I held discussions with a number of responsible comrades of the province and the prefectures, municipalities and counties and also with rural cadres. I also visited a number of workers' and peasants' homes. I noticed that, in recent years, in the field of economic construction, Guangdong has achieved a faster rate of growth and higher economic returns. The political situation is also getting better and better. There have also been improvements in the party style, social climate and public order.

Economic Construction Is Steadily Developing

In the past few years, Guangdong Province has seriously implemented the central authorities' guiding principle on further readjusting the national economy and their decision that Guangdong should practice a special policy and flexible measures in its external economic activities. Proceeding from

Guangdong's actual situation, the province has handled relatively well the relationships between centralized control and enlivenment of the economy, between advance and retreat, between readjustment and restructuring, and between expansion of external economic activities and economic readjustment and development. As a result, steady development of the province's economy has been promoted.

1. Agricultural production is steadily developing. In promoting agricultural production, Guangdong Province has linked the functioning of the superiority of the collective economy to the mobilizing of the individual's initiative, by means of continuously perfecting the agricultural production responsibility system, and thus has added strong driving force to the development of the rural economy. Under the guidance of the state plan, the province has readjusted its agricultural economic distribution according to the local conditions, and thus has changed the relatively unitary economic structure of the past. Comparatively remarkable development has been achieved in both the diversified economy and communes' and brigades' industrial and sideline production. For example: Vigorously promoting the diversified economy in the Zhu Jiang Delta under the circumstances that the rice growing area has been stabilized; reducing the grain procurement quota for mountainous areas and the border special zones, so as to push ahead with the development of forestry, forestry sideline production, the production of special local products and agricultural and sideline products for foreign trade such as vegetables, fish, poultry and so on; linking grain production with sugarcane production so as to push ahead with the latter; and establishing a number of bases of commodity grain and bases of oil crops, fishery, forestry, animal husbandry, special local products, and so on, so as to gradually rationalize the internal production structure of agriculture. Last year relatively great development was recorded in industrial crops and diversification despite serious natural disasters such as floods and typhoons which caused a fall in grain output of 3 billion jin. Sugarcane output may have reached 12 million tons, an increase of more than 30 percent over the previous refining season; this was the biggest increase recorded since the founding of the state. Total value of the province's agricultural output rose by 3.3 percent over the previous year. Nanhai County scored outstanding achievements. Its total value of agricultural output in 1981 was 23.8 percent higher than in 1980. Despite a slight reduction in the grain and cocoon harvests due to natural disasters, forestry output value rose by 9.3 percent, animal husbandry by 3.3 percent, sideline production by 44 percent, and fishery production by 4.1 percent. The collective economy has developed rapidly, the political situation in the rural areas is more stable, and one of the best rural situations since the founding of the country has indeed emerged.

2. New progress was recorded in industrial production. As far as industrial production is concerned, we have readjusted the orientation of service, improved the product mix, enlarged the scope of service and realized a relatively fast speed of development in accordance with the characteristics that there are a large number of workshops in the province, the degree of flexibility is high, and that there are sufficient export facilities since our province neighbors Hong Kong and Macao, and in accordance with the market

demand. As a result, development of light industry was accelerated and there was a certain growth in heavy industrial production. Last year total output value rose by 11.4 percent, with increases of 17 percent in light industry and 1.8 percent in heavy industry. Based on the experiences gained in Jiangmen, Qingyuan and other municipalities and counties where experiments on reform of the economic system have been actively and steadily carried out, Guangdong has pushed forward various forms of the economic responsibility, rights and interests, improved business and management and aroused the enthusiasm of the enterprises and the broad masses of workers. The economic returns of state-owned industry and communications enterprises in Foshan municipality previously were never very good. Profit per 100 yuan of output value was only some 5 yuan in 1979, lower than the average for the province, and also lower than the municipality's previous best level. Last year the Foshan Municipal CCP Committee vigorously popularized the experience of the Shiwan chemical industry ceramics plant in implementing the system of "four fixes and four guarantees" ("four fixes" means that the plant fixes the number of workers in the workshops, fixes equipment, fixes raw material supplies and fixes expenditure; "four guarantees" means that the workshops must guarantee quantity, quality, variety and profits). Internal economic activities among the enterprise units were carried out in accordance with estimated costs and the system of "free supply" was abolished. On completion of the task of "four guarantees" the workshops would be given a certain amount of money as a bonus. However, those workshops which were unable to complete the task of "four guarantees" would be fined in accordance with the regulations. Various other forms of the economic responsibility system were also practiced in the administrative offices. Thus the economic responsibility and economic interests of the internal units of the enterprises and the individual workers were made clear. Thus, the staff and workers of the enterprises were encouraged to enthusiastically seek ways to increase production and economize expenses. As a result, distinctive economic results were obtained and large-scale increases of production and revenue were achieved. The municipality's industrial production quota was fulfilled 46 days ahead of schedule. Total value of industrial output showed an increase of 23.11 percent, while profits rose by 55.29 percent and profit turned over to the state increased by 14.4 percent. This was the highest rate throughout the province.

3. The province has actively developed external economic activities and speeded up the development of its domestic economy. The trial operation of special economic zones has not only directly provided favorable conditions for economic construction in the special zones themselves, but has also indirectly supported economic development in the interior, stimulated joint undertakings with the interior, and expressed the complementary relationship between economic development in the special zones and the interior.

In the course of implementing its open-door policy, Guangdong has achieved three integrations. First, economic activities with foreign countries have been integrated with economic readjustment and now serve economic readjustment, thus enabling local industries to enjoy development in the course of the open-door policy and enabling their products to penetrate foreign markets and so bring their own superiority into play. Second, economic activities have been integrated with the technological transformation of enterprises and a number of enterprises have been equipped with advanced and suitable foreign technology. Third, economic activities have been integrated with the development of urban and rural public facilities. Through various channels, they have attracted foreign capital for use in education, culture, bridges, roads, and so forth. They have thus speeded up urban and rural construction. Furthermore, in cities in border regions, they have started up lawful border trade on a small scale. This has also definitely had a hand in increasing peasants' income, improving the lives of commune members and stabilizing public order in the border regions.

4. The markets are prosperous and lively and the standard of living of people in the urban and rural areas has improved. In the wake of the development of production and the increase of the circulation channels, the markets have grown more and more prosperous. Comparing 1981 with 1980, total volume of commodity retail sales rose by 15.9 percent, while purchasing power increased by 13.4 percent. There were ample supplies of clothing and utensils. Savings deposits of the urban and rural people increased by 45.7 percent over 1980, urban workers' wages rose somewhat, jobs were found for 400,000 during the year, and 5.1 million square meters of urban workers' housing were completed. Housing conditions improved to some extent.

The peasants' income from collective and domestic sideline occupation increased to a certain extent over last year. In the rural areas new housing construction by peasants can be seen everywhere; this is a major hallmark of the improving standard of living of peasants. In the rural areas in Nanhai County, there was an upsurge in building houses. In many places both the scale and standard of construction exceeded the previous records, and a situation in which "each household prepares the materials and each brigade is engaged with construction work" existed. According to incomplete statistics for the county, the rural areas of the whole county built over 16,000 houses last year, with a total area of over 1 million square meters. Over 90 percent of them were reinforced concrete structures. Many old villages have taken on a new look. Xiaolan commune in Zhongshan County built 3,502 new houses last year (1,637 houses were reconstructed), showing an increase of 1,966 houses over the preceding year. Peasants living in brick and tile-roofed houses accounted for 93 percent of the commune's total population. Many peasants in Nanhai County have developed from purchasing the "three old things" (bicycles, sewing machines, watches) to the "three new things" (television sets, radio-cassette players, electric fans). The peasants in Xiaolan commune in Zhongshan County owned 24,069 bicycles in 1981, showing an increase of 2,992 over the preceding year; 10,681 sewing machines, showing an increase of 2,415 over the preceding year; 1,810 television sets, an increase of 835 over the preceding year; 7,416 electric fans, an increase of 5,179 over the preceding year and 2,632 radio-cassette players, an increase of 1,193 over the preceding year. Visiting the lower levels and seeing the improvement in the life of the broad masses, we are more confident of the future of our economic development.

The Building of Spiritual Civilization Has Yielded Results

In our socialist state, if socialist ideology fails to occupy a dominant position in the society, it is impossible to ensure a socialist orientation in building material and spiritual civilization. At present, it is necessary, by centering on the task of building spiritual civilization and in the light of practical problems in work and ideology, to strive for a decisive turn for the better in party work style, social mood and social order.

First, the problem of party work style occupies an important place in socialist spiritual civilization. Guangdong implements special policies and adopts flexible measures in its external economic activities, but it should by no means be exceptional in party work style and party discipline. The open-door foreign policy and relaxation of domestic policy also chiefly refers to economic policies. We should never relax party work style and party discipline, but should enforce them more strictly. It should be affirmed that the foundation of the party work style in Guangdong Province is good. The majority of party members and cadres are loyal to the cause of the party and the people, diligent and hardworking. There are plenty of cadres who are willing to serve the people wholeheartedly and who bend their backs to their tasks until their dying day; there are also plenty of cadres who are honest in performing their official duties and remain uncontaminated. However, owing to various complicated causes, both historical and practical, the problem of party work style has now become an outstanding problem that should be solved urgently. Due to the proximity to Guangdong of Hong Kong and Macao, the corrupt bourgeois ideology and lifestyle will definitely take advantage of the open-door policy to work their way in. In the economic sector, unhealthy tendencies and violations of the laws and discipline have been fairly serious. A considerable number of party members have committed economic errors. The proportion of economic cases in relation to the total number of criminal cases has risen. Furthermore, the amounts involved are generally quite big. Viewed from the nature of the problems, illegal activities such as speculation, profiteering, graft, embezzlement, smuggling and selling of contraband, and offering and accepting bribes are on the increase; acts in violation of financial discipline such as indiscriminate issuance of bonuses and loans, arbitrary price increases and illicit distribution of public property as well as unhealthy tendencies such as making use of one's connections and influence have developed to some extent. What is worthy of attention is that the circumstances of some cases are serious and the methods employed are heinous. This reflects that some party members and cadres, and even leading cadres, have a prominent tendency to "think of everything in terms of money." Furthermore, some leading cadres quite obviously use their power for their own gain and seek privileges. Some leading cadres are seriously guilty of bureaucratism, are extremely irresponsible in their work and their revolutionary zeal is waning. In the rural areas, some party members participate in feudal superstitions, gambling, armed conflicts and other activities, and the situation is also quite serious. In view of the situation stated above, the Guangdong Provincial CCP Committee has mustered its strength and grasped the problem from within. With the power of a thunderbolt and the speed of lightning, it has resolutely carried out investigations and meted out punishments to those party members and cadres who have dared to flout the law and who openly take part in the smuggling and selling of contraband, graft, embezzlement, offering and accepting bribes and other violations of the law and discipline. It has spared no one, regardless of seniority. The provincial CCP committee has stipulated that CCP organizations at various levels should vigorously grasp party work style this year. It is necessary to mobilize the whole party to study again the "Guiding Principles for Inner-Party Political Life" and carry forward the party's three important work styles. It is necessary to vigorously praise good party members and cadres, expose typical examples of unhealthy party work style and deal with them seriously. The three special zones of Shenzhen, Zhuhai and Shantou have formulated regulations governing party and government cadres in the special zones so as to educate and check up on them. In Shenzhen, rectification of the party has been started by grasping typical cases of illegal building of houses and smuggling and selling of contraband and by dealing with them with great fanfare. This has hit out at the unhealthy trends and practices, caused far-reaching repercussions and brought about an improvement in the social mood.

Second, a problem that merits our serious attention in Guangdong is preserving a good social mood and preventing cadres and the masses from being contaminated and corrupted ideologically as a result of the open-door policy. The Guangdong Provincial CCP Committee has repeatedly and explicitly announced: We should absorb as well as resist capitalist elements to a certain extent. With respect to funds and technology from Western capitalist countries, we should absorb them, but we should uphold proletarian spiritual civilization, maintain and carry forward the fine traditions of our nation and the proletariat and foster a new socialist mood. Since February last year, the "five stresses and four beauties" activities have been vigorously launched in Guangdong. In the past year, especially since the second half of last year, the building of spiritual civilization in Guangdong has yielded some results and social mood and social order has started to take a turn for the better. To counter the problems of "dirt, disorder and high cost" in municipal environment and sanitation and in prices, Guangzhou municipality launched last year a "three rectifications" drive (rectifying the environment and sanitation, social order and traffic, and market prices) and, by taking this as a breakthrough in building spiritual civilization, organized several big activities. At the same time, Guangzhou municipality launched extensive education in morality and in democratic and harmonious new family relationships along with activities such as promoting new wedding styles and "learning from Lei Feng and adopting new habits." At present, the appearance of the city's 25 main streets has started to change. Some guest houses which were criticized by foreign guests in the past for their poor service have, through the civility and decorum activities, improved their work to a considerable extent. The mood of unity and mutual help and of taking pleasure in helping others has also been initially revived and carried forward. Moving examples reflecting the spirit of "a family in trouble enjoys the support of 100 families" have emerged in many localities. Last year, the activities of "five stresses and four beauties" and "three loves" (love for the motherland, socialism and the collective) were vigorously launched in the three special zones of Shenzhen, Zhuhai and Shantou. At the same time, efforts were made to improve municipal environment and sanitation, traffic and order. The social appearance is now developing in a good direction. School education has an important position in building spiritual civilization. The special zones attach great importance to conducting positive education among youths in order to inspire their patriotic enthusiasm and guide them to study hard, engage in healthy and uplifting activities and develop in an all-round way, that is, to develop morally, intellectually and physically. The atmosphere and appearance of the middle and primary schools in Shenzhen are taking a gradual turn for the better. In Shenzhen's Futian junior middle school, there were only eight CYL members in April last year and the political atmosphere was weak. Since the launching of the "five stresses and four beauties" activities, many pupils have been keen on making progress politically and, by the end of last year, the school had succeeded in recruiting 71 CYL members. With the economic development in the special zones, the spiritual outlook of the people in the special zones is also changing. The youths are very keen on studying and urgently wish to study new knowledge and technology. More young workers have registered to take part in sparetime studies and studying diligently has become the order of the day. The Guangming Overseas Chinese electronic factory in Shenzhen has proposed the "three resistings and three promotings" drive (resisting corrosion and influence by bourgeois ideas and promoting the style of being honest in performing one's official duties and of remaining uncontaminated; resisting the influence of the bourgeois practice of each trying to cheat or outwit the other and of benefiting oneself at the expense of others and promoting the style of being concerned for comrades and taking pleasure in helping others; resisting the influences of out-and-out bourgeois egoist ideas and promoting the style of safeguarding public property and abiding by social morality) and extensively and thoroughly conducted education in upholding the four basic principles and in socialism, patriotism and collectivism.

Third, in strengthening the socialist legal system, improving social order and defending social order, Guangdong has done a lot of work. Since last year, the party and government organs at various levels have extensively launched the "three rectifications" drive. The public security and judicial departments have made a concerted effort in promptly and severely punishing various criminals such as counterrevolutionaries and murderers, arsonists, rapists, looters, traffickers in narcotics and ringleaders of criminal gangs who seriously endangered social order. With respect to various illegal organizations and publications, obscene books, paintings, tapes and videotapes, steps have been taken to resolutely ban them in accordance with the relevant regulations, laws and decrees of the state. The work of suppressing smuggling in the border and coastal areas has also been strengthened by mobilizing the masses to report or expose offenses to the authorities. A number of cases such as smuggling and selling of contraband, tax evasion and speculation have been proved through investigation. This has dealt a severe blow to economic criminal activities. By so doing we have succeeded in consolidating the people's democratic dictatorship and further removing various factors unfavorable to stability and unity. This has contributed to the relatively stable environment in life and work throughout the province and ensured the smooth progress of industrial and agricultural production and other work. There was a turn for the better in social security as a whole last year. The healthy tendency is in the ascendant and the unhealthy tendency is in the descendent. Good people and deeds related to the struggle against bad people and deeds have emerged in large numbers. The disorderly conditions such as "the neighbors closing their doors when a household is being robbed," "all people looking on with folded arms while another is being maltreated," and "good people are bullied while bad people are overweening" have changed. Last year the incidence of crime was 18 percent less than in 1980. This included a 55 percent decline in cases of robbery. However, owing to various reasons, especially to the proximity of Hong Kong and Macao to Guangdong and to its being situated in a border and coastal area, which results in an excessive number of transient people and in a relatively complicated situation, the social order as a whole has not taken a fundamental turn for the better. Various criminal activities such as robbery, theft, gambling and mercenary marriage still continue to occur. We should still make tremendous efforts in order to check the unhealthy tendencies.

Several Questions That Merit Attention

This visit to Guangdong was very fruitful. I and other comrades who traveled with me were glad to see fast economic development in Guangdong and a promising urban and rural political situation. While carrying out inspections and discussions on our way, we gathered the following opinions:

1. When the Central Committee decided to set up experimental special economic zones in Guangdong and Fujian Provinces, it was a brand new undertaking. We are groping our way forward. We need to continuously sum up experiences and lessons in the course of practice. Whether they are experiences of success or lessons of error, as long as we clear-headedly recognize them, they will all be beneficial to our work. The Shenzhen-Shekou industrial zone has taken the initiative by setting up special zones and has reaped distinct results. The Shenzhen-Xili reservoir resort has its own rustic flavor. The Zhuhai-Shijingshan mountain resort has set up a strict, scientific management system and has enlightened us much in our work. Certain of our units and organizations are overstaffed. There are more personnel than matters to be attended to. They are plagued by bureaucratism. Whenever they are confronted with work, they try to pass the buck. Efficiency is extremely low. Some people hold "iron ricebowls" and eat from a "big pot." Should they not learn from these good experiences to overcome the malpractices in their own work? Some comrades have adopted all along a negative, suspicious attitude toward the open-door policy and the experimentation with special zones. They think that the open-door policy has opened a back door for bourgeois ideology and has corrupted the party style and social climate. We are no longer in the period of remote antiquity. No country in the world can now afford to keep itself to itself. During the feudal dynasties of the Ming and Qing in Chinese history, we tried on numerous occasions to implement a "closure of ports." This was to have dire consequences on the development of our own productive forces and caused tremendous political and economic loss. The open-door policy is highly conducive to the enlightenment of people's thinking and the promotion policy

will inevitably cause certain lawless elements to take advantage of the situation and carry out activities designed to sabotage socialist construction and also definitely affect the party style and social climate. However, the present problems associated with the party style and social climate are not entirely due to the open-door policy. We must both acknowledge its side effects and even more recognize the nature of the problem. We must have full confidence in the open-door policy and our experimentation with special economic zones. We must conscientiously sum up and continuously improve. The special economic zones must not be completely Westernized. They must not turn into second Hong Kongs or Macaos.

2. There has been a good start in building spiritual civilization and an improvement in the social and moral atmosphere. However, the development is unbalanced. What merits our attention now is that there are still many party committees and leading cadres who do not have a sufficient understanding of the significance of building spiritual civilization. Some of them think that they are too busy with their work and cannot spare time to promote the building of spiritual civilization; some of them lack confidence in building spiritual civilization, holding that "a bonus of 10 yuan is better than doing 1 year's work in grasping spiritual civilization"; some think that spiritual civilization is unable to solve problems and is like scratching an itch from outside one's boots; some think that grasping civilization is the work of the departments, and wonder why the CCP Central Committee and the provincial CCP committees should make a fuss of it. In order to persistently and profoundly launch the building of spiritual civilization, we must strengthen and improve party leadership and further enhance the whole party's understanding of building spiritual civilization. In the course of building spiritual civilization, we must strongly grasp the question of party work style, social customs and social order. We must create public opinion in a big way so that it can become regular and systematic among the masses. On the basis of extensively mobilizing the masses and improving the level of understanding, we must make the best use of the situation and formulate certain practicable facts, agreements with the masses, management regulations, rules and so forth in relation to the overall situation or certain aspects of building spiritual civilization. We must, by means of building spiritual civilization, make our people become people who have ideals, morality, culture and who abide by discipline.

3. Market prices is a major matter to thousands and thousands of families. Last year in Guangdong, procurement of agricultural and sideline products at negotiated prices and increases in the rural financial credit expenditure, workers' bonuses and transient laborers accounted for the situation in which a large amount of the currency was put in circulation, an excessive amount of food coupons were in the hands of the people and there was short supply of vegetables, nonstaple foods, construction materials for the rural areas, medium-size and small farm tools and other commodities. In addition, slackened market management and increased prices of commodities have affected the livelihood of the masses and, in particular, the livelihood of a certain section of workers and staff members. The question of commodity prices is a matter of overall importance and is a relatively complicated question. We must resolutely implement the 10 regulations on

stabilizing market prices issued by the State Council recently, and adopt the comprehensive measure of integrating economic and administrative methods and ideological education. The state-owned commercial enterprises must take the lead and set good examples in implementing the market price policy and strictly forbid private price increases and price increases made in disguised forms. It is necessary to seriously deal with cases in violation of the price policy and price discipline. We must punish according to law those who break the law. Governments at all levels must perfect the organs in charge of commodity prices, carry out regular inspections of the market prices, form a system and strengthen supervision by the masses. Maintaining fundamentally stable commodity prices is extremely essential to stabilizing the economy, maintaining stability and unity and improving the masses' livelihood. This must not be treated lightly.

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ENHANCE THE ROLE OF BANKS AND DEVELOP DOMESTIC CAPITAL

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[Article by Liu Hongru [0491 7703 0320]]

[Text] While explaining the Ten Point Economic Construction Policy at the 4th Session of the 5th NPC, Comrade Zhao Ziyang pointed out: "The role of banks in accumulation, transfer and unified control of credit funds should be strengthened." Implementing earnestly this policy, bringing the role of banks into full play and developing domestic capital have great significance in finding a solution to present financial difficulties, in carrying out the mission of economic readjustment and in accelerating the socialist modernization program.

Lack of funds is an outstanding problem in maintaining a certain growth rate in our economic construction. However, it must also be noted that at present there is amazing waste in various fields, ranging from production and circulation to capital construction. Enormous social wealth will result if potential is tapped. Therefore, on the one hand, we must through our policies arouse the enthusiasm of the enterprises, the communes and their subdivisions, the staff and workers as well as the peasants, tap potential, develop the economy and try by every means possible to increase production and revenue and add to the wealth of society. This is a basis for developing domestic capital. On the other hand, we must pool the scattered funds and by means of banking and the use of bank credits use them in the production and construction needed by the state, while putting financial matters under centralized control and making use of capital.

Lenin long ago advocated the use of the bank to regulate the socialist economic life of the country as a whole. However, we have for many years failed to pay attention to fully enhancing the role of banks. Since the 3d Plenary Session of the 11th CCP Central Committee, the CCP Central Committee and the State Council have pointed out that efforts should be made to help banks become a tool for developing the economy and renovating technology and that stress should be laid on encouraging banks to become involved in more activities, undertake more tasks and give full play to their greater role in opening up new prospects of acquiring and accumulating funds and im improving the use of funds. Following this orientation, we have over the last 3 years adopted various methods of collecting funds and have expanded the scope of bank credits. For example, we have changed from the method of free subsidies for some parts of the investment in fixed assets to that of bank loans which have to be repaid with interest; the People's Bank has begun to grant medium- and short-term loans for buying and upgrading equipment with emphasis on the replacement and renovation of equipment and technical transformation of enterprises which produce goods for everyday consumption; the eligible recipients have been expanded from production and circulation fields to service trades, tourism and units in the scientific and technological departments which have business income and the ability to repay. In controlling credit, we have followed the principle of dealing with each case on merit and supporting those which excel in their business and paid attention to implementing the role of such economic levers as credit rate and foreclosure. All of these reforms have played a fairly satisfactory role in improving the economic results of the funds, developing domestic capital and promoting economic readjustment. Practice has proved that emphasizing utilization of the bank to raise social funds and using those funds for production and construction through loan distribution are in complete accord with the new conditions of the development of our economy and reflect the objective requirements of the economic structural reform and a correct way to improve the economic results of investment.

The banks' capital comes mainly from: 1) official listed capital and the accumulation of a certain portion of profits which the bank is entitled to keep as credit funds; and 2) the currency issued in accordance with the needs of the development of production and the expansion of circulation. With the development of production and the increase in the people's income, more and more money has been absorbed by the bank. Particularly since the 3d Plenary Session of the 11th CCP Central Committee, with the greater financial power of the local authorities and enterprises, the growing collective economy, the increasing income of the urban and rural population and more money in the hands of the enterprises, units and individuals, the bank is in a position to accumulate these scattered funds by means of absorbing deposits on which interest is paid. This will, on the one hand, safeguard the economic rights and interests of the depositors and, on the other hand, enable the state to arrange and use these funds in a planned way. During the 3 years from 1979 through 1981, various kinds of bank deposits increased by a big margin at an average annual rate of 2,000 percent over 1978. But we must also understand that bank deposits are reserve currency and the monetary expression of social material wealth; therefore, the growth in deposits is restricted by production increases, national income and the consumption fund. Bank loans are limited by the sources of capital on the one hand and by the volume of material supplies on the other. Provided the volume of bank loans is complementary to that of material supplies, the realization of bank loans in kind can be ensured. Banks should not rely on an oversupply of currency in circulation to expand their credits because the issuance of currency must suit the needs of commodity circulation. Oversupply of currency in circulation will lead to price hikes and inflation. This is an objective demarcation line.

The CCP and the people's government have always adopted a policy of keeping the value of money stable and have persisted in not adopting the method of issuing more money to expand the scope of capital construction. This is a major condition for ensuring the smooth implementation of the economic readjustment, effecting the steady growth of the economy and consolidating the stability and unity of the political situation throughout the nation. The fairly rapid growth of currency in circulation over the last 3 years has resulted from the changes in economic development. This is because the fairly rapid growth of agriculture and light industry and the expansion of the scope of commodity circulation created a need for a corresponding increase in the supply of currency in circulation. At the same time, with the implementation of the various forms of the production responsibility system in rural areas and the restoration and development of the collective economy and the individual economy in cities and towns, there have been many more economic units and management levels for preserving cash in the urban and rural areas, and with more people working, the growth of income for people in both urban and rural areas and the increase in the reserve money of the units and the individuals, there has been a greater capacity for currency in circulation. However, we must also acknowledge that the present supply of currency in circulation is still on the excessive side and the ratio of the currency in circulation to the volume of commodity supplies still has not reached previous normal levels. Latent dangers still exist. If more currency is issued, it will be difficult to keep market prices basically stable or to consolidate the results of the economic readjustment.

Must we therefore adopt the method of tightening money supply and reducing consumption to withdraw huge amounts of currency from circulation as we did when our country encountered economic difficulties in the 1960's? This also will not do. This is because, first, the current economic readjustment is carried out in a situation where there is a sustained increase in both industrial and agricultural production. Furthermore, in order to lay a foundation for future long-term development, we must maintain a certain growth rate. This determines that in financial matters, reducing the amount of bank loans by a big margin and stifling the economy is not permissible. Second, the current economic readjustment is carried out in a situation in which the peasants' income has increased, large numbers of people awaiting employment in cities and towns have been given jobs and there has been an increase in both wages and bonuses. Reabsorbing currency from circulation by relying on reducing the number of staff and workers and consumption is not permissible. Instead it is necessary to suit currency circulation to commodity circulation by significantly boosting production of consumer goods, of agricultural means of production and of building materials for agricultural use and increasing commodity supplies. Third, although large and medium-sized projects under construction, whose scopes are overstretched and building cycles rather long, cannot produce results for the time being, they must not be abandoned all at once as was done in the past when we suspended construction of the "small local construction groupings." The disproportions in the economy and the oversupply of currency in circulation are the result of the "leftist" mistakes which have existed for years. It will take time to return to normal and it cannot be accomplished in a year or two. Precisely because of this, although the supply of currency in circulation is on the excessive side and exceeds the needs of commodity circulation, in order to help readjust heavy industry to service orientation, we must, within the limits of state plans for the national economy and of bank credits, increase loans for production and construction as much as possible, and in particular support the production of goods for everyday consumption, boost the production of brand-name goods which sell well and also the production of building materials for agricultural use and the agricultural means of production which are needed by the peasants. Rather than reabsorbing huge amounts of currency from circulation by adopting the method of tightening money supply and reducing consumption to shrink production in an oversimplified way, we must support agriculture in developing grain production and a diversified economy to provide more raw materials to light and textile industries so that they can develop and supply the market with more commodities. Thus, for a certain time there will be no rapid improvement in the situation in which the supply of currency in circulation is still on the excessive side. However, because bank loans are used mainly to finance operational activities which require less money but promise quicker and bigger results, once they produce economic results, it is possible to increase commodity supplies at a fairly rapid pace, step up the withdrawal of currency from circulation, boost financial revenue and thus provide a material base for returning currency circulation to normal.

At present, the contradiction confronting us is this: On the one hand, there has been an oversupply of currency in circulation and the issuance of currency must be put under strict control, while, on the other hand, it is still necessary to increase some loans to revitalize the economy under a unified state plan. In order to solve this contradiction, accumulate more funds and raise the economic results of the use of funds, banks should devote their energy and time in the following ways:

1. Vigorously develop the savings undertakings in urban and rural areas. In recent years, with the increase in their income, urban and rural residents have had more cash in their hands, part to be used as a working fund for covering the needs of daily life and production and which cannot be absorbed in large quantities as savings deposits, and the other part to be used as reserve funds for buying such goods as durable consumer goods and for savings which will rise for a long time. By absorbing into the bank this part of personal savings which will not be used for the time being, we will be able to turn consumption funds into production funds in a planned way and that part of the latter which is relatively stable over a long period of time can be used to support construction. At the same time, the realization of its potential as purchasing power can be postponed, thus reducing the currency in circulation. Of course, to increase savings deposits, banks must adopt strong measures, such as doing a good job in propaganda work, improving the quality of service, readjusting savings interest rates, increasing varieties in savings which suit the needs of the masses, setting up more savings networks and strengthening the work of rural credit cooperatives.

2. Offer leadership to the various enterprises and units in planned use of funds in production and construction. In accordance with the regulations of the state's system of cash control, apart from a small quantity of cash

to be retained for services and supplies, the monetary income of the enterprises and units must go to the bank. For the enterprises and units, the question of absorbing idle funds in society does not exist. The problem at present is how to guide enterprises and units which have surplus funds at their disposal to try as far as possible to invest these restricted funds in production and construction which are urgently needed by the state and promise good economic results. The guidance may be multifaceted. For example, the bank is allowed to handle fixed deposits of the enterprises and units, pay them higher interest than is paid on current deposits and convert short-term funds into long-term ones; it is allowed to issue bonds under specified conditions so as to concentrate long-term funds and support the small number of construction projects within the jurisdiction of state plans; to handle trust business in places where conditions permit and within the limits of state regulations; and to adopt flexible and various ways to absorb and use funds and do more work under a unified state plan so as to benefit the revitalization of the economy. Further, developing domestic insurance will enable us to establish a system of economic compensation on the one hand and play the role of accumulating funds on the other. In struggle to combat floods and help to tide the people over natural disasters, as in Sichuan, Shaanxi and Liaoning Provinces in 1981, the system of insurance displayed its great compensatory role. The insurance premium handed over by Sichuan Province to the insurance company in the 2 years 1979-80 was no more than 20 million yuan but in 1981 the insurance company paid an indemnity of 77 million yuan for losses suffered by Sichuan Province from natural disasters, thus helping the disaster-stricken enterprises quickly restore production. This shows that establishing this system of economic compensation on a nationwide scale and putting the transfer of funds under unified control will play a positive role in restoring production and stabilizing life in the disaster areas and ensuring the stability of financial revenue and expenditure.

3. Tap the potential of existing funds, try hard to reduce the funds seized and left idle in the circulation field, increase goods and materials and speed up the turnover of funds. At present, large quantities of circulating funds are seized and left idle by industrial and commercial enterprises all over the country; the turnover of these funds is slow. This is an outstanding manifestation of poor economic results. For example, the turnover rate of circulating funds of state-run enterprises in 1981 was 3.12, a decrease of 1.15 compared with the 1965 record of 4.27. The turnover rate of the circulating funds of the commercial enterprises also did not reach the highest record in history. Reducing our circulating funds by 2 or 3 percent will mean a nationwide savings of 7 to 10 billion yuan. In discussing the principle of reproduction, Marx said that commodity reserve is divided into voluntary reserve and nonvoluntary reserve. The former is the necessary condition for commodity circulation and the latter is the result of goods not being sold well. We must strive for a growth rate on the basis of products of good quality and responsive to social demands. This is a true growth rate void of exaggeration. While speed is mentioned, we must no longer blindly seek output value, because this will result in huge overstocking of surplus goods and poor-quality and unmarketable goods and ineffective use of huge funds. Consequently emergence of the phenomena

whereby "in industry, good news is announced while in commerce, bad news; in warehouses, there is overstocking while in finance, nominal increases." Eventually, as a result more banknotes have to be issued. In order to prevent this situation, in regard to the enterprises whose products are in excessive supply banks should practice stricter and tighter control over funds and resolutely carry out the system of raising interest rates and requiring more interest as a forfeit and even stopping the granting of loans. It is necessary to uphold the principle of production, purchase and order according to sale, stimulate the enterprises to economize on the use of funds and cut down the seizure of funds. We must strive to support the enterprises to produce and market more products which meet social demands with the least possible credit funds and provide the state with more accumulation. At the same time, in order to increase goods and materials and revitalize the economy, it is also necessary to use the bank to do a good job in smoothing things out. For example, of the machinery and electrical products kept in stock, some are needed for replacement and renovation of equipment and technical transformation. However, handicapped by a lack of funds, the enterprises are unable to buy them. In regard to these products kept in stock which have a ready market, banks should on the one hand grant loans to units to purchase and upgrade needed equipment and, on the other, call in the circulating fund loans used in stocking materials. Some products kept in stock can be marketed through installment payments. In this way, with little or no increase in the total amount of loans, the goods and materials kept in stock can also come into play and reinvigorate heavy industry, thus bringing to the state additional income in taxes and profits.

4. With regard to helping to improve economic results, transfer funds and choose the orientation and key points for their use and explore and open up new sources of revenue. In accordance with the decisions of the state on the entire national economy and the nature of credit funds that loans contracted from credit funds should be repaid and credit funds kept in continuous circulation, in using limited funds, banks should give priority to production and construction activities which require less money but promise quicker and bigger results by adopting a method of "rolling a snowball" so that they can provide more products and funds in a fairly short period of time. 1) Vigorously support the development of the rural commodity economy rather than using funds purely in relief work. 2) Substantially support development of the production of consumer goods and stimulate heavy industry to readjust its orientation toward services. At the same time, positive support should also be given to such fields which need funds as service trades, tourism, culture, education and hygiene. 3) Support existing enterprises which are carrying out technical transformation in an orderly way and do a good job in the technical transformation of enterprises producing consumer goods. Positive credit support should also be given to energy and transport and communications projects under the jurisdiction of state plans which ensure a quicker turnover of funds, promise bigger results and have business resources and the ability to repay. Practice shows that so long as the above-mentioned orientation and key points are upheld, it is very necessary to explore and open up new sources of revenue for the bank to use in granting certain medium- and short-term loans for buying and upgrading equipment to be used in replacement and renovation and technical

transformation. The total amount of the additional medium- and short-term loans for buying and upgrading equipment which was granted by the People's Bank in the 3 years 1979-81 constituted 10 percent of the total amount of the increase in loans. These credit funds were used mainly to replace and renovate equipment and in the technical transformation of old enterprises; about 70 percent were used to support the technical transformation of enterprises in the light and textile industries. This has played a fairly satisfactory role in boosting the production of consumer goods and promoting economic readjustment. With a big increase in the production of consumer goods--an important condition--market prices can thus be kept basically stable and the supply of currency can be reduced. Thus, it is justified to say that proper use of loans can boost financial revenue, accelerate withdrawal of currency from circulation and benefit the realization of the basic balance between finance and credit.

5. Do a good job in the overall balance between funds and materials. At present, the bank not only grants circulating fund loans but also extends fixed assets loans. In a situation in which the country has financial difficulties and the supply of currency in circulation is still excessive, will credit inflation emerge? This is a question which concerns some comrades and is also a problem existing in our practical work and calls for attention and earnest solution. Besides practicing strict planning and control over the scope, orientation and key points of the use of bank loans as we have stated above, it is also necessary to do a good job in the overall balance between funds and materials. First, the balance between the source and use of credit funds is achieved mainly in terms of the total amount and the makeup of funds. In terms of the total amount of funds, the amount of bank loans extended must correspond to the source of funds. This is a premise. It is still necessary to make an analysis of the conditions of long-term funds (for a year or longer), the officially listed bank capital, the relatively stable part of long- and short-term deposits which are continuously circulating, some being drawn out and some invested to make up the sources of funds. Second is the balance between bank loans and goods. The question whether or not credit inflation will emerge lies in whether or not a balance between bank loans and goods can be maintained and the specific terms of the loans, whether or not the required goods can be ensured, the materials are applicable and the economic results can be guaranteed rather than in the size of bank loans. Every bank loan must go through strict examination to see whether or not the source of goods has been fixed and whether or not fairly good economic results can be practically ensured. In our work, so as to prevent blind and duplicate production, we must act according to the plans stipulated by the state and we must not undertake new projects outside the state plan. Finally, it is still necessary to adhere to a unified balance between finance and credit.

6. Credit funds should be put under a unified plan and policy as well as control. In order to speed up construction, some localities and departments have undertaken more capital construction projects by pooling funds. Some localities have set up various forms of investment companies and run local banks in a disguised form; some have raised funds by asking banks to give them money not set in the previous planning. These actions, in fact, amount

to drawing out funds which have been deposited in banks and which have already been included in the banks' planning and also going in for non-budgetary capital construction or using funds for other purposes. Actually, as far as the enterprises and units are concerned, there are no idle funds. Their funds are all deposited in the bank. The bank takes account of such deposits in making credit plans. Withdrawal of the deposits of enterprises and units results in deficits in the arrangement of funds. Eventually, all parties concerned would reduce their deposits in the People's Bank with the result being either the issuance of more banknotes, which is not permissible, or the reduction in bank loans which are needed in normal production and circulation. This is to no avail. Therefore, money must be collected and funds raised through the bank. The People's Bank must earnestly carry out its responsibilities as the central state bank, be responsible for issuing banknotes, balance credit plans in a unified way and, while balancing, try hard to ensure increases in some places while decreases emerge in other parts and to eliminate deficits.

Our country has always practiced a centralized and unified policy in its financial undertakings. Practice in the 32 years since the founding of the PRC has proved that this policy conforms to the objective requirements of the socialist planned economy and the inherent laws governing the movement of credit funds. In accordance with the regulations stipulated by the State Council, credit matters must be centralized in the hands of banks and no localities are allowed to set up any financial organs without authorization. The financial organs approved by the State Council must also bring their credit activities into line with a unified plan, do a good job in the overall balance so that the issuance of currency can be put under strict control. Under a unified policy and plan as well as unified control, the various banks (including the People's Bank of China and specialized banks) must share the work and cooperate with one another, gradually reform the management system and work regulations and rules which are not suited to the needs of economic development, accumulate more funds, put the funds to effective use, transfer funds in a flexible way and make concerted efforts to raise the economic results of the funds. At the same time, it is also necessary to strengthen the supervisory functions of the bank, resolutely combat criminal activities in the economic field and resolutely struggle against all sorts of activities which violate financial and economic discipline. Strict checkups must be carried out on the various items such as loans, transfer closing accounts, receipts and payments of cash and revenue and expenditure of foreign exchange so as to stop the leaks. If problems crop up, they should be investigated thoroughly and dealt with seriously. It is necessary to sum up experience, further enhance the role of banks and make greater contributions to the socialist modernization program.

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EARNESTLY CARRY OUT RESEARCH ON THE ECONOMIES OF DEVELOPING COUNTRIES

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[Article by Qian Junrui [6929 0193 3843]]

[Text]

I

Under the present international circumstances, it is of great importance to earnestly study the economic issues in developing countries. This can promote China's modernization construction, develop friendly cooperation with Third World countries, particularly in the economic field, and carry forward our common struggle to establish a new international economic order.

Since World War II, along with the upsurge of national liberation movements, many colonial and semicolonial countries have won independence one after another; the colonial system of imperialism has disintegrated and the Third World has mounted the stage of history as a new force. The national economies of developing countries have been growing and getting stronger. However, owing to the long-term rule, plunder and exploitation of colonialism and imperialism and the aggravating scramble of the two superpowers for spheres of influence and world hegemony, developing countries still face a lot of difficulties and problems in developing their economies. They have the solemn task of developing national economies and safeguarding political independence. China is a developing socialist country which belongs to the Third World. We have the same past experiences as other developing countries and shoulder a common fighting task together with them. We consistently give our sympathy and support to developing countries in their struggle to defend national independence, develop national economies and strive for social progress. The Chinese people will always stand side by side with the Third World countries and peoples and fight to break the old international economic order and establish a just and reasonable new international economic order.

The developing countries hold an important position in the world economy. They have three-quarters of the world's population and cover three-fifths of the globe. They are rich in natural resources and there are industrious and wise people in these countries. The people of developing countries have created prosperous economies with their own hands and have had brilliant ancient cultures. It is only since the 15th century that they successively suffered aggression, oppression and plunder by Western colonialism and imperialism and therefore were reduced to the status of poor and backward colonies, semicolonies and dependencies which supplied raw materials for imperialism, were markets for its products and gave it opportunities for investment. Since their independence, however, these countries have increasingly strengthened their capability to develop their economies independently. The economies of developed Western capitalist countries, on the other hand, have become more and more dependent on developing countries. Some 75 percent of crude oil needed in developed capitalist countries is supplied by the Third World. Some 40 percent of the crude oil needed by the United States and 90 percent of that needed by Japan, West Germany and France must be imported. Besides crude oil, 60 percent of their needs for major agricultural and mineral raw materials have to be supplied by developing countries. In particular, nearly all major strategic raw materials used in the nuclear energy, space navigation and electronics industries, such as beryllium, lithium, cobalt and other rare metals, must be imported from developing countries. In addition, developed Western countries must also depend on exporting capital and selling products to the Third World. It can be seen that, at present, in the interdependent world economy, most of the developed capitalist countries would find it difficult to subsist without the developing countries. Developing countries have great potential for developing their economies. Those who deem that Third World countries have no impetus from within to develop their economies but can only achieve development by depending on the "charity" of the developed countries are obviously people with wildly arrogant prejudice (some people in developed countries) or have an inferiority complex (some people in the Third World); their point of view is absolutely groundless.

Since their independence the developing countries have worked out and carried out a series of strategies, policies and measures to develop their national economies. For example, they have handled these matters: How a state should intervene in economic life to mobilize the initiative of various economic elements; how strategies and plans for economic development should be worked out in the light of local specific conditions and how unreasonable economic structures should be reformed; how to utilize, limit and supervise foreign capital on the basis of self-reliance, to import practicable technology and to develop scientific and educational undertakings; how to exploit manpower resources and to promote economic development; how to prevent the environment from being polluted and how to preserve the ecological balance; and so on. In the course of practice, they have had successful experiences and have drawn lessons from failures. Although the social systems of those nationalist developing countries are different from ours, and other socialist developing countries have their respective specific conditions, a lot of things about their past and present conditions are similar to ours. Therefore, we must earnestly study and make use of their experiences, so as to benefit the development of China's socialist economy.

Third World countries are all quite young. With the exception of a small number of newly developed industrial countries and petroleum producing countries, the level of their economies is, in general, still comparatively low; people still live in poverty and there are still many difficulties and obstructions in the course of their economic development. They need to strengthen economic cooperation on the basis of collective self-reliance and take a road that can lead to common prosperity. China is willing to stand together with the people of developing countries in the struggle against the exploitation, oppression, control and economic infiltration of imperialism, colonialism and hegemonism and against the imperialists' monopoly of the world economy. In doing so, we must devote great efforts to intensifying our study of the economies of developing countries so as to make clear our needs and capabilities as well as theirs. In accordance with actual conditions and characteristics, we can thereby expand our economic relations, develop economic cooperation and jointly strive for a common prosperity on a practical, equal and mutually beneficial basis. This is one of the basic principles of our foreign policy. It is our unshirkable sacred duty to do a good job in this field.

II

The rise of the Third World and the increasingly heightened position of developing countries in the world economy are new phenomena arising since World War II. This has posed many new questions in theory and in practice. What are the main questions that we should study at this time? We believe that the following are of importance and worth emphasizing:

1. The economic control, infiltration and exploitation of developing countries by the superpowers and multinational corporations and related theories, policies and measures. Since World War II, along with the disintegration of the colonial system of imperialism, superpowers and international monopoly capital have changed their tactics in their attempt to pursue neocolonialism. In particular, as capital has become more and more internationalized, multinational corporations have rapidly expanded their domain in developing countries. Using various means and methods, imperialists and hegemonists have carried out economic plunder, exploitation and domination in developing countries. They have cultivated their cohorts, plotted subversion against legal governments in developing countries or even committed aggression against them. The Soviet hegemonists, who call themselves "natural friends" of the Third World, under the pretense of "assisting" national liberation movements and carrying out "internationalism" and "the international division of labor" also spare no effort in infiltrating and controlling developing countries politically, economically and militarily, plundering their raw materials, and occupying their strategic areas. They have even sent troops to invade Third World countries. All this is conducted under the cover of a greatly deceptive theory and realized by means of extremely sinister tactics and ruthless measures. We must seriously study and thoroughly expose their acts and wage a blow-for-blow struggle against them.

2. The strategies and different modes of economic development in developing countries and their theoretical basis. In the postwar period, developing countries have worked out and carried out various strategies for development in line with their respective conditions, thus forming

varied modes of development. In terms of strategy, some practice exporting primary products; some practice import substitution, others practice export substitution; some give priority to heavy industry, others lay stress on the development of light industry and agriculture. In recent years quite a few developing countries, by summing up their past experience in development strategies, have embarked on working out and practicing strategies oriented to satisfying the basic needs of the people. These strategies and modes of development vary in content. Each has both advantages and shortcomings. In the course of practice, some have promoted economic development; some have yielded few benefits; others have even met with great setbacks. The crux of the reasons for the above different results is whether development strategies in these countries are derived from a correct guideline and whether they are suited to their own specific conditions. At present, we are making a further study of the specific conditions of our country and are working out and practicing a strategy for developing our socialist economy. Under these circumstances, it is imperative for us to study the conditions, contents, results and theoretical basis of various development strategies and modes practiced in developing countries and use them as our references.

3. The problems of population growth, economic development and pauperization in developing countries. Since World War II, developing countries have achieved certain successes in developing their national economies. The average yearly growth rate of their gross national product was 4.7 percent in the 1950's; 5.6 percent in the 1960's; 5.3 percent in the 1970's; higher than the corresponding rates--4.1 percent, 5 percent and 3.1 percent--of developed Western countries. In spite of this fact, because of their weak economic foundations coupled with a higher population growth rate than in developed Western countries, the majority of developing countries still lag far behind developed Western countries in terms of gross national product per capita. The gap is becoming even wider. Calculated at 1950 constant prices, the per capita GNP of developed countries in 1950 was $3,840, while that of developing countries with low incomes was $164. The former was 23 times more than the latter. In 1980, per capita GNP of developed countries increased to $9,684, nearly 40 times that of developing countries with low incomes which was only $245. The difference thus increased from $3,676 to $9,439. It is particularly noteworthy that because the population of developing countries grows faster than grain output, many of them have changed from grain exporting countries to grain importing countries and the degree of self-sufficiency has markedly dropped. In particular, hundreds of millions of people in Sub-Saharan African areas and in South Asia are still living in starvation or semistarvation. Grain has become a prominent problem in many developing countries. This problem not only severely affects economic development, but also the stability of the political situation. Therefore, the study and solution of the problems of population, grain and pauperization brooks no neglect.

4. The economic cooperation between developing countries. In order to fight against control and exploitation by superpowers and international monopoly capital and jointly overcome difficulties in the course of their economic development, developing countries have displayed the spirit of

collective self-reliance and, with solidarity and militancy, have strengthened their economic cooperation. They have formed many regional cooperation organizations and organizations of raw material producing or exporting countries, such as the Association of Southeast Asian Nations, the Andean Group, the Economic Community of West African States, the Organization of Petroleum Exporting Countries and so on. In the struggle in the international economic realm, they coordinate their stands and policies and fight against exploitation and plunder by imperialism, colonialism and hegemonism. In the course of developing their national economies, they coordinate their development plans and strengthen economic cooperation in all fields with a spirit of solidarity and mutual aid. At present, all kinds of economic cooperation organizations of developing countries are developing vigorously; they have occupied increasingly important positions in the realm of international economy. This shows the strong power of developing countries in their economic cooperation with the spirit of collective self-reliance. However, owing to the problems related to economy, boundaries, nations and religions left over by the rule of imperialism and the imbalance in economic development between them, coupled with the fact that imperialism and hegemonism are sowing dissension, developing countries meet many difficulties and obstructions in the course of developing their economic cooperation. It is extremely important, therefore, to find how developing countries can remove all external interference, frustrate plots to split their ranks and eliminate internal disputes with the spirit of setting store by overall interests, seeking common ground on major issues while reserving differences on minor ones, and mutual understanding and accommodation. Thus the economic interests of different countries can all be taken into account on the basis of equality and mutual benefit and the development of economic cooperation between developing countries can get further impetus. This matter calls for our study from the angles of theory and strategy.

5. North-South dialogue and the issue of establishing the new international economic order. Although the colonialist system of imperialism has basically disintegrated since World War II, the unfair and unequal old international economic order which merely protects the interests of imperialism and international monopoly capital still exists. It has seriously prevented the national economies of developing countries from developing smoothly. In order to change this state of affairs, in the postwar period, especially since the 1970's, with the Group of 77 as the backbone, developing countries have struggled to break the old international economic order. Through intense struggle and repeated negotiations, the position of developing countries in the United Nations and in other international economic organizations and conferences has been raised. They have also strengthened their independent decisionmaking power as regards limiting activities of foreign monopoly capital and multinational corporations. In negotiations and conferences, they have, with developed countries, reached some agreements which are beneficial to developing countries, and have gained some substantial benefits in overcoming their economic difficulties. These facts show that developing countries have become a major force in the international struggle of anti-imperialism, anticolonialism and antihegemonism and the struggle to establish a comparatively fair and reasonable new international

economic order. North-South dialogue, however, has made only slow progress because most of the developed Western countries adopt dilatory tactics and the Soviet Union refuses to recognize its duty. At present, gaining a clear idea of the standpoints, tactics and policies of the superpowers and developed capitalist countries in North-South dialogue, particularly finding methods to strengthen the internal unity of developing countries, working out a correct strategy and tactics in accordance with scientific guidelines which tally with realities, waging struggle in a reasonable, profitable and methodical way and making unremitting efforts to establish a new international economic order have become very important tasks of developing countries. Chinese people are, of course, willing to make the due efforts in this regard.

III

What are the basic principles guiding us in studying the above important questions?

First, after collecting a large quantity of reliable information, we must apply Marxist standpoints, basic viewpoints and methods in conducting intensive and thorough analysis and study from the high plain of theory and strategy in a realistic manner and by means of dividing one into two, so as to correctly realize the historic position and basic conditions of developing countries. We should also sum up their experiences and draw lessons from the course of their national economic development and go deeply to learn the laws governing their national economic development.

Marxist classical authors have made a host of profound expositions on the economies of colonial and semicolonial countries in the light of the historic conditions of their time. For example, Marx has expounded on the plunder and exploitation of colonial and semicolonial countries by colonialism; Lenin put forward the theory on national liberation movements in colonial and semicolonial countries and national economic development after their political independence. Comrade Mao Zedong enumerated the theory on the division into three worlds and, taking China as a typical example, he explained that the bourgeoisie in colonial and semicolonial countries can be divided into the comprador bourgeoisie and the national bourgeoisie and also noted the duality of the national bourgeoisie and the essential importance of the peasant problem in these countries. All these are of great guiding significance in our study of the national democratic revolution and the development of the national economy in the broad developing countries. Many of these viewpoints are still our major theoretical basis in analyzing the economies of developing countries. Of course, since World War II things have changed greatly. We cannot rigidly adhere to a few prepared conclusions. Instead, we should base ourselves on the new conditions, study new problems and draw new conclusions, creatively developing scientific theories to guide our acts. We should, therefore, on the one hand oppose the dogmatist method which does not proceed from realities but merely looks for conclusions from books and, on the other hand, oppose the erroneous attitude that varies from Marxist basic theory and totally and uncritically accepts the bourgeois theory. At present, the most important thing for us is to widely and intensively absorb knowledge of the past and present economies of developing countries, collect detailed material and make an analysis by means of discarding the dross and selecting the essential, eliminating the false and retaining the true, proceeding from the outside to the inside, and proceeding from one to the other, so as to discover the nature of things and draw scientific conclusions in the unity of history and logic.

Second, we must earnestly acquaint ourselves with foreign theories and methodology on the economic development of developing countries. Since former colonies and dependencies won political independence one after another, Western bourgeois economists have intensified their study of the economies of developing countries in order to protect the colonial interests of imperialism in these countries and regions. In accordance with Keynesian theory, they have laid emphasis on the key function of state intervention and expanding demand. They peddle to developing countries the "models" of economic development designed by them, the most famous among these being the "Harrod-Domar model." It should be pointed out that some of their methods in analysis are indeed worth taking as our references. In general, however, these theories do not tally with the realities in developing countries. Some are even designed for the exploitation and plunder of developing countries. For example, the theory of "equilibrium of international demand" put forward by Western scholars deems that trade between developed countries and developing countries is conducted on the basis of exchange of equal value without exploitation. Progressive scholars in developing countries have criticized this theory. This criticism contains many reasonable factors which are worth our serious consideration. But some people in developing countries put forward a theory of "center and margin" in which developed capitalist countries are taken as the "center" of the world, while developing countries are only viewed as the "margin" which has no inner impetus and can only seek development by attaching itself to the "center." This theory is wrong in both system and methodology. If the economies of developing countries have to circle the "center"--developed capitalist countries--then they will never shake off their economically dependent position. Some other people go to another extreme by advocating "severing all relations with Western countries." Both these theories go against the general tendency of contemporary economic development. Thus, both are harmful.

The "theories" mentioned above influenced policymaking of the governments of developing countries to varying degrees. Many developing countries have worked out their respective development strategies and policies under the guidance of this or that theory. Some have achieved a certain success and promoted their economic development; others have met with setbacks and failures and got their national economies into trouble. In some countries where the economy has developed at a fairly high speed comes another problem--aggravating polarization and sharpening social contradictions.

Therefore, it is necessary to concretely analyze foreign theories and methodology on economic development. We should assimilate whatever is reasonable and, with the spirit of seeking truth, point out what is wrong and why it is wrong. We should also seriously criticize what is reactionary. Each school of foreign "development theories," and each part of the development theories in developing countries together with its methodology should be taken seriously. We should gain a clear idea of its origin and development, content and essence. Only thus can we correctly study the strategies and modes of developing countries in developing their economies and absorb valuable scientific elements, so as to speed up the economic construction of our country.

Our research on the economies of developing countries has just begun. We need to mobilize the cadres who are concerned with foreign economies and trade and the comrades who are concerned with researching and teaching of world economy throughout the country to coordinate in collecting and sorting out materials and in carrying out thorough specialized study in a planned and organized way. Comrades who handle actual foreign economic work should strengthen their theoretical study and exploration, while comrades who are engaged in theoretical work should pay more attention to actual economic work. Only thus can one learn from others' strong points to offset one's weaknesses and closely combine theory with practice. At the same time, when possible, we should strengthen academic exchanges with foreign scholars, particularly progressive scholars of the Third World, in a planned way, so as to benefit our research on the economies of developing countries.

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AN IMPORTANT REFORM IN THE SUPREME STATE ADMINISTRATIVE ORGANS

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[Article by Xu Chongde [6079 1504 1795]]

[Text] The State Council of the PRC, or the central people's government, by means of exercising its supreme administrative power, handles our country's major domestic and foreign affairs and realizes the state function of the people's democratic dictatorship. The work of the State Council is directly related to the success or failure of our country's socialist modernization. Thus, the reform and perfection of the administrative system of the State Council is of far-reaching significance.

There are only three articles under the section "The State Council" in the present constitution, which was adopted in 1978. However, they have been increased to nine in the draft of the revised constitution (referred to below as the draft) after being revised, adapted and redrafted. The content is more substantial than the present constitution and represents a new development. Regarding the nature and status of the State Council: It is the executive organ of the highest organ of state power and is the supreme state administrative organ. This basic point was determined when our country's first socialist constitution was promulgated in 1954. The later two constitutions were formulated on the basis of the first one. The objective of this revision is to more perfectly display the above-mentioned nature of the State Council and further strengthen its status and give play to its role. This kind of revision on the one hand reflects the continuity of our country's constitutions and on the other hand shows the vitality of our country's organs of power, which are incessantly developing and perfecting.

Based on the original constitution, the draft has made great changes, mainly regarding: 1) the organization of the State Council; 2) the leadership system of the State Council itself; 3) the tenure of office of the State Council leading personnel; 4) the power and function of the State Council; 5) the establishment of an auditing organ. In addition, since the State Council is the organic constituent of the whole country's structure, the series of reforms of other organs, such as the enlargement of the function and power of the NPC and, in particular, the Standing Committee of the NPC, the restoration of the PRC chairman, the establishment of the Central Military Commission, and so on, will definitely exert certain influence on the structure and activities of the State Council. In short, the draft has reflected the reforms of the State Council in many ways and cannot be discussed in detail in this article. Let me give my view on several questions.

The change of the structure of the State Council proposed in the draft is a summation of experiences over a long time in the past and is also a reflection and affirmation of the results of the reforms in the structure of the State Council which are being carried out at present. The structure of the country's highest administrative organs has undergone three stages of development.

The first stage was the government administration council of 1949-54, which was a committee system. The council consisted of one premier, several vice premiers, a secretary general and several administrative councillors. Administrative councillors could hold concurrent posts as directors of council commissions or ministers, who were not necessarily administrative councillors. That is to say, the directors of council commissions or ministers were not necessarily members of the administration council. Such a regulation was made at that time because the administration council had 30 subordinate ministries, committees, councils, departments and administrative offices. Besides the administrative councillors who did not belong to any ministries, if all the ministers and directors were administrative councillors, there would be too many administrative councillors. Thus, it would be more difficult to conduct administration council meetings. The structure and work methods of the administration council have provided valuable experience for the reform of the leadership system of the present State Council, the appointment of state councillors and the establishment of a standing committee of the State Council which consists of a premier, vice premiers, state councillors and a secretary general.

The second stage was a system stipulated in the 1954 constitution. Under this system, the State Council consisted of a premier, several vice premiers, all ministers, directors of all commissions and a secretary general. This system lasted the longest. There have not been any changes except that the secretary general was deleted from being a member of the State Council in the 1975 and 1978 constitutions. It was different from the structure of the administration council in that there were no committee members holding either concurrent posts as ministers or ministers without portfolio; and all ministers and directors of commissions were without exception members of the State Council. Therefore, we called this an organizational form of ministerial meeting. The advantages of this system were that all ministers of the State Council and directors of all commissions were members of the plenary meetings of the State Council. They could participate in the critical discussions of matters of overall importance under the charge of the State Council. Such a form, in principle, is still kept by the current draft of the revised constitution.

The structure of the State Council stipulated in this draft of the constitution is the third stage of the development of our country's highest administrative organs. Looking at Article 86 of the draft--on members of the State Council--it is different from both the administration council and the original State Council. It is based on the two kinds of structures which have been practiced by the country's highest administrative organs since the founding of the country and has absorbed their strong points. It is also a development of the former structure. In accordance with the stipulation of the draft, the leadership system of the State Council itself after being reformed is called the premier responsibility system. This system is a form of what we usually refer to as a directors responsibility system. Its main characteristics are:

First, the number of vice premiers is reduced to the minimum, appointing state councillors so that the leadership system is more centralized. The draft explicitly points out: "The premier directs the work of the State Council. The vice premiers and state councillors assist the premier in his work." This shows that the premier holds the dominant post in the leadership system of the State Council although the State Council is under collective leadership. The vice premiers and the state councillors are assistants of the premier. The state councillors are entrusted by the premier to be in charge of certain work and certain major tasks. They are also entrusted by the premier to carry out important foreign activities.

Second, the draft stipulates that "the premier calls and presides over the regular meetings and the plenary meetings of the State Council." This kind of meeting is different from that of other organs which practice the collegiate system of work procedure and method of making decisions. The status of each member of the organs which practice the collegiate system is fundamentally equal. While making decisions, each member has the same right to vote. But it is different in the premier responsibility system. The premier not only has the power to call and preside over the regular meetings and plenary meetings of the State Council, but also has the power to gather correct opinions and make the decision of the State Council during the meetings in which major problems are discussed fully by all members.

Third, the draft stipulates that the premier is to be appointed by the chairman of the People's Republic of China. The chairman appoints the premier with the approval of the NPC. In the past, people have not paid much attention to the significance of such procedures. As a matter of fact, the chairman is the symbol and representative of the state. Therefore, the premier actually receives the mandate from the state. He is to represent the interests of the people in organizing the government and in bearing the responsibility of managing state affairs and leading the highest administrative organ. In the future, after the restoration of the post of chairman of the PRC, this solemn legal procedure of appointing the premier will also be restored and the responsibilities of the premier will be made more explicit. On the other hand, the premier has the right to propose to the highest organ of state power the appointment of State Council vice premiers, state councillors, ministers, directors of various commissions, the chief auditor and the secretary general. When he thinks necessary, the premier also has the power to propose to the highest organ of state power the dismissal of the function and power of these people. In light of this, we see that the administrative responsibilities of all people involved are clearly laid down.

It can be readily seen that the draft has changed the former leadership system of committee members and the system of ministerial meetings. It has further strengthened the status and duties of the premier. Undoubtedly, this is a significant change needed to meet the objective demands of the four modernizations drive. It has realized the new development of our country's administrative and management system.

Collective management is feasible under certain conditions. Lenin has figuratively called such a system a "preparatory class" in learning management. ("Collected Works of Lenin," Vol 30, p 420) It is, however, liable to create multiple leadership with no one assuming ultimate responsibility. According to Lenin, the system of collective leadership should be transmitted to the system of individual responsibility. This is a demand of the objective nature of execution and administration. In the light of our country's situation, the State Council is the executive organ of the highest organ of state power and the State Council enforces the laws and decrees formulated as a result of the collective discussions of the NPC and its Standing Committee. When the state decisions which are made on a democratic basis by means of collective discussions are to be enforced, the executive organs must combine forces and rapidly implement them and demand explicit personal responsibilities in the course of enforcement. Otherwise, the enforcement of the laws and decrees will be procrastinated and thus be unable to bring about prompt and correct results. Lenin has acutely pointed out: "At best, corporate management involves a tremendous waste of forces and is not suited to the rapid and accurate work demanded by the conditions of centralized large-scale industry." ("Collected Works of Lenin," Vol 30, p 279) He also pointed out: "The main principle of administration is—a certain person is fully responsible for some specified work." ("Collected Works of Lenin," Vol 36, p 554) Lenin's expositions are perfectly correct. Our country's State Council shoulders the heavy task of organizing and realizing the socialist modernization drive. It leads all ministries, all commissions in local people's governments at all levels in their work, leads in an all-round way and manages the state's economy, finance, monetary affairs, commerce, education, science, culture, public health, sports, civil affairs, public security, diplomatic activities, state defense, urban and rural construction, Overseas Chinese affairs and so forth. Under the circumstances that the objective situation is ever changing, the socialist cause is rapidly developing, both domestic and foreign work are tough and complicated and various problems and all kinds of contradictions are cropping up one after another, if we do not clarify the responsibilities of the individuals, strengthen the authority of the premier or stress a high degree of centralization on the basis of democracy, the State Council will not be able to give play to its high efficiency or to successfully fulfill the tough tasks.

As viewed from our country's current situation of administration and management, there really exist the problems of overstaffing in government organizations. There are more hands than are needed, complicated work procedures, petty disputes, incidences of shifting responsibilities onto others and doing things in a sluggish way, and not being responsible for work. All this is out of tune with the demands for socialist modernization and is totally intolerable. The future of our country will be dreadful to contemplate if we continue to content ourselves with endless collective discussions, produce a tremendous amount of documents, and spend a lot of time reading documents, or if we lack appropriate centralism and make many different policies which contradict each other. Comrade Deng Xiaoping pointed out that, in a certain sense, reform of the government structure is a revolution. If we want to create more prospects for our cause, we must carry out this important reform with revolutionary spirit. The draft explicitly points out that "the State Council implements the premier responsibility system." This is one of the essential and correct measures for launching this revolution.

Some people think that the premier responsibility system contradicts democratic centralism. They think that the premier responsibility system is antagonistic to the system of democratic centralism. This is a purely wrong understanding. There was a similar view when Soviet Russia discussed the question of restructuring in 1918. At that time and in accordance with such a view, Lenin clearly expounded on the theory that collective discussion and the setting up of a strict responsibility system are two categories of democratic functions ("Collected Works of Lenin," Vol 27, p 193), and he solemnly pointed out that it is extremely wrong to hold the view that a strict responsibility system is incompatible with the democratic system and collective management. As viewed from the draft of the revised constitution, the premier responsibility system is actually not contradictory to the system of democratic centralism in principle. It is because under the premier responsibility system, decisions on major problems are to be discussed by all members during the regular meetings of the State Council and the plenary meetings of the State Council. The regular meetings of the State Council play a special role in exercising collective leadership. As Comrade Zhao Ziyang said in the "Report on Problems of Reforming Structure of the State Council": "The regular meeting of the State Council is the routine leading organization of the State Council. Under the direction of the premier, it is responsible for leading various kinds of important work within the scope of power of the State Council and making decisions." In light of this, the premier responsibility system is set up on the basis of giving play to the role of the collective and is a leading cadres' responsibility system which is integrated with the collective. Lenin said: "We need committees to discuss certain basic problems and personal responsibility and personal leadership to avoid procrastination and shirking of responsibility." ("Collected Works of Lenin," Vol 30, p 213) Our country's premier responsibility system in the State Council is exactly like this. It is, certainly, a system of centralism; however, it is a system of centralism on a democratic basis and is a form to manifest the system of democratic centralism. Therefore, it conforms with our country's basic organizational principles.

Similarly, all ministries and commissions which are subordinate to the State Council practice the system of decisionmaking by the leading cadre. Regarding this single point, we have always complied with it although there was no written stipulation in the constitution. However, it is clearly stipulated in the draft that "all ministries and all commissions practice the minister or director responsibility system." Now that the number of deputy positions and vacant positions is reduced, the personal responsibility of the department heads will become greater in actual work.

Among the various subordinate departments of the State Council, there is the establishment of the auditing organ which is to independently exercise the power of auditing and supervision under the leadership of the chief auditor. This is a new characteristic of the draft on reform of the administrative organs. By means of supervising the accounting procedures and the qualifications of the auditors themselves, the auditing organ exercises overall supervision over financial and economic activities. Therefore, the auditing department should be separated from the department of financial accounting in modern economic management. The objective of auditing supervision is to ensure that the state's capital is more rationally and legally gathered and utilized and that it brings better economic benefits. It also helps to strictly enforce financial discipline and prevents possible flaws that may occur in the state's financial and economic activities and is thus conducive to the socialist modernization drive.

Since ours is a vast country with a dense population, there are several hundreds of thousands of enterprises and an enormous number of work units and administrative organs, and it is necessary to practically protect the state's huge capital and property. For many years in the past, because there was neither a perfect legal system nor a complete auditing system or an organ in charge of auditing supervision, unsavory trends appeared in the area of financial and economic management. There was also malpractice which made serious inroads on the state's property. Thus, it is extremely necessary to perfect the auditing system and set up an independent organ in charge of auditing supervision. In the wake of the development of socialist construction, and in the wake of the expansion of the decisionmaking rights in the localities, departments and enterprises and the adoption of open economic policies, new contradictions crop up incessantly, and thus the demand for the establishment of an organ in charge of auditing supervision has become more urgent. The draft stipulated: "The State Council will establish auditing organs to audit and supervise finance and the financial revenue and expenditure of the people's government at all levels and of the financial and monetary organizations, enterprises, institutions and organizations under the people's government." This complies with the demand of China's financial and economic management and the building of the four modernizations.

In order tc continue to make the best possible use of the State Council and bring the role of the highest administrative organ into full play, the draft has, to a certain extent, expanded the authority of the State Council. One relatively important item is that the State Council has the authority to stipulate and approve administrative laws and regulations. The State Council is the executive organ of the highest organ of state power. In the course of carrying out laws and decrees, the State Council must make administrative strategic decisions and promulgate regulatory documents in accordance with the actual complicated situations. This is called administrative laws and regulations. This is the first concept stipulated in the draft on China's administrative laws and regulations. In our actual life, the administrative laws and regulations deal with a wide range of things. According to the stipulation of the draft, the State Council has the authority to use the administrative laws and regulations to define the obligations and duties of all ministries and commissions. This shows that the authority of the State Council has expanded.

As a matter of fact, that the State Council has the authority to stipulate and approve administrative laws and regulations does not mean that the State Council has legislative power, nor does it mean that the State Council is a legislative body. Although determined by the nature and characteristic of the administrative power, in actuality, there are many more administrative laws and regulations than laws and decrees. However, administrative laws and regulations are after all different in principle from laws and decrees. First, laws and decrees are stipulated by the highest organ of state power. In China, only the NPC and its Standing Committee, which are state legislative organs, can exercise state legislative power. Moreover, administrative laws and regulations are but administrative regulations promulgated by the State Council in the course of implementing the law so that the law will be carried out smoothly. Second, from the point of view of what binds and compels, although administrative laws and regulations are almost similar to laws and decrees, administrative laws and regulations must abide by laws and decrees and must not contravene the law. If there is any contradiction, the NPC Standing Committee can change and repeal the administrative laws and regulations. The difference between administrative laws and regulations and laws and decrees is manifested in the subordinate nature of the State Council to the highest organ of state power. In China, democratic centralism and the system of "integrating discussions with action" are the basic principles of the socialist political system. Even though this is the fact, the draft has, for the first time, defined the status of administrative laws and regulations in the constitution. We cannot deny that this is an important feature.

The reform of China's highest administrative organ manifested in the draft of the revised constitution is very important. We can predict that the working system of China's government will continue to improve and its efficiency will be greatly enhanced. This will certainly perfect and strengthen the organization and leadership of the socialist modernization.

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CHERISH THE MOTHERLAND'S HONOR, SAFEGUARD NATIONAL DIGNITY

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[Article by Wang Bingnan [3769 3521 0589]]

[Text] Cherishing the honor of the motherland and safeguarding national dignity is a sacred duty of every Chinese. In "The Draft of the Revised PRC Constitution," it is written: "The citizens of the PRC have the obligation to safeguard the motherland's safety, honor and interests. They must not do anything that harms the safety, honor and interest of the motherland." It is of great significance at present that we strengthen education of the cadres and masses in this aspect.

Over the past few years, by adhering to the principle of maintaining independence and keeping initiative in our own hands, and reconstructing our motherland through self-reliance, we have implemented the open-door policy and scored positive results in promoting the building of the four modernizations and enhancing mutual understanding and friendship with people of other countries. In our ever increasing contacts with foreign countries, many of our cadres and masses have displayed the lofty style of associating their words and actions with safeguarding the honor of the motherland and the dignity of the nation, and there have been many lively and stirring deeds to win the acclaim of foreign friends. On the other hand, some unhealthy phenomena have also appeared--some have done such things as worshipping things foreign and toadying to foreign people, bowing and scraping, forfeiting their self-respect and losing their personality and national character. These people have no sense of decency. By discrediting the honor of the motherland and hurting the dignity of the Chinese people, they have not only aroused the indignation of the broad masses of people within the country, but they have also deeply disturbed many international friends, patriotic Overseas Chinese and Hong Kong and Macao compatriots as well as having aroused their extreme concern. Although these phenomena have only appeared among a small handful of people, they exert a very bad influence. If we let them run rampant and do not strengthen political and ideological education and take effective measures, the body of our party and country will be seriously corroded and the modernization program will be endangered.

There are social and historical reasons for phenomena such as worshipping things foreign and toadying to foreign people. First of all, China experienced a semifeudal and semicolonial society for more than a century and some people have not yet got rid of their capitalist ideology and the colonial slave mentality. Second, the 10 years' internal disorder of the "Great Cultural Revolution" seriously damaged the fine traditional ideology and work style of our party. The patriotic sentiments, moral concepts and sense of discipline of many people become blunted to the extent that some even completely ignore them. Furthermore, since putting the open-door policy into effect, we have underestimated the corrosion caused by corrupt bourgeois ideology and ideological and political work have lagged behind. And the precautionary measures are imperfect. For these reasons, when they confront the dazzling bourgeois human world with its myriad temptations some irresolute youths without experience in life cannot resist being corroded by corrupt bourgeois ideology and, as a result, they are shot by "sugar-coated bullets" and fall captive to bourgeois ideology. Therefore, to overcome the ideology and acts of worshipping things foreign and toadying to foreign people, we must educate the people, particularly the youth, to correctly understand the motherland and our obligations and responsibilities toward our motherland and foster a high degree of national pride and confidence.

Our country is a great country and our nation is a great nation. Ours is a country with a vast territory; our mountains and rivers are magnificent; our products are abundant and we have a long history. Generation after generation, the children of China have been living, working and struggling in this land and we have created a magnificent national culture. For a considerably long period of history, China's science and technology ranked among the first in the world and we made great contributions to the development of human society. According to the statistics of Joseph Needham, the British scholar and author of "History of China's Science and Technology," more than 30 important Chinese inventions were spread to Europe and other regions of the world from the opening of the Silk Road to the end of the 18th century. As Chinese, we should feel greatly honored. The Chinese nation is not only famous for diligence and intelligence, but also for its patriotic spirit and revolutionary tradition. Over thousands of years, many national heroes and patriots who were "impervious to the temptation of wealth and high position, not to be shaken or modified by poverty or destitution, and did not succumb to military force" have emerged to safeguard the nation's honor and dignity. Particularly in modern Chinese history, national heroes and patriots are as bright and abundant as the stars. After Western capitalist countries blasted open China's gate with their cannons in the Opium War, foreign colonialists colluded with the Chinese feudal ruling class and willfully trampled on China. As a result, China was in an abyss of misery for a long time. However, the people of all nationalities in China never surrendered and they resisted foreign invasions many times. There are many heroic and moving deeds. People like Lin Zexu, Hong Xiuquan, Kang Youwei, Tan Sitong and Sun Yat-sen were outstanding representatives of the Chinese people during this period. It is exactly because the Chinese people indomitably advanced wave upon wave to resist invasion that, although large and small imperialist countries of the world united to invade and suppress China, they could not destroy China. Since the birth of the CCP, under the guidance of Marxism-Leninism, the glorious patriotic tradition of the Chinese people has been further inherited and brought forth. The CCP led the Chinese people to wage some extremely arduous struggles and finally overthrew the three big mountains and won national independence and liberation. Since then, the Chinese people have controlled the national power, become the masters of their country and resolutely followed the socialist path. This is the fortune, glory and honor of the Chinese nation. Thousands and millions of Overseas Chinese rejoice that the long period during which they were squeezed out and discriminated against is now over.

Since the founding of the PRC some 30 years ago, although our country has made mistakes and suffered setbacks, we have scored significant results in economic construction. This is obvious to all and is universally acknowledged. When new China was first established, we inherited from old China a country in a complete shambles. The industrial base was very weak, the equipment and installations were obsolete, the technology was backward and the level of productive forces was extremely low. However, after 30 years' arduous struggles, the Chinese people have brought about profound changes in various aspects. Basically, we have an independent and relatively complete socialist industrial system and national economic system. We could not manufacture accurate or large-sized machine tools just after liberation, but now we are able to manufacture 270 varieties of relatively complete machine tools. We are not only capable of manufacturing automobiles and airplanes, but also atomic bombs, guided missiles and manmade satellites. Agriculture in our country has also made relatively great progress and we have basically solved the problem of feeding our 1 billion population. On the basis of the continuous development of industrial and agricultural production, there has been a significant improvement in the people's material and cultural life. Comparing China's standard of economic development with other developed countries, ours is still relatively backward. However, when compared with old China or other foreign countries, the rate of economic development over the past 30 years is relatively fast. The socialist system is not only superior to the semifeudal and semicolonial society, but also to modern capitalist society. This has been proven by evidence. Since the 3d Plenary Session of the 11th CCP Central Committee, we have summed up the positive and negative experiences and proposed a new path for the building of socialism that suits the actual situation of our country. There is no doubt that the superiority of China's socialist system will be effectively brought into full play.

At present, our motherland has obtained its proper place in the world. The age when foreigners treated the Chinese as "the sick man of East Asia" and "an inferior nation" is long gone. In our contact with people of other countries, we hold high the banner of opposing imperialism and hegemonism and safeguarding world peace; we adhere to proletarian internationalism, support the emancipation of the suppressed nations, the building of newly independent countries and the righteous struggles of the people of all countries; and we have won praise and high appraisal from people all over the world. As of now, we have established diplomatic relations with 125 countries and we have friends all over the world. The Chinese People's Association for Friendship with Foreign Countries has nongovernmental contacts with some 120 countries and has established friendly relations and connections with some 100 Chinese friendship associations from some 60 countries. In our nongovernmental friendly contacts with the people of other countries, we deeply feel their sincerity toward the Chinese people. They pin great hopes on China and try their best to cherish and safeguard China's international reputation. They are distressed that some people worship things foreign and toady to foreign people. Many foreign friends treat China as their second homeland. Some friends want to make a final trip to China even though they are very old; some sacrificed their precious lives for the Chinese revolutionary cause and for friendship with the Chinese people; and others had deep love for China during their lifetime and wanted to have their bones or ashes laid to rest in China. Many Chinese friendship associations in foreign countries have overcome difficulties regarding manpower, material and financial resources and launched various activities to introduce China to their own country and to promote mutual understanding and friendship with the Chinese people. How inspiring and exciting this is! Compare it with those people who have lost their national pride and who damage national honor and dignity. Do they not feel ashamed of themselves?

People usually compare their motherland to their mother. This is a sacred and solemn metaphor, and it vividly shows us the lofty status and great significance which is due the motherland in our minds. Through the ages, no one with a conscience would allow others to infringe upon the dignity of his mother, and no one with high aspirations would use words and deeds to bring disgrace on the reputation of his mother. People compare their motherland to their mother, that is to say, all people should ardently love their motherland as they ardently love their mothers. They should take safeguarding the honor and dignity of the motherland as their sacred duty and winning glory for the motherland as their solemn obligation. We are all raised with the milk of the motherland. Without the motherland, we would have nothing. In the poem "Singing for the Motherland," Martyr Chen Hui wrote: "O motherland, you raise me with your milk of love; and I will safeguard you with my flesh and blood," and Martyr Chen carried out his pledge. This is a model that we should always follow.

As a matter of fact, our motherland is still rather poor at present. This is a fact that we will not deny. However, how should we tackle poverty in our motherland? This is a question that tests our ideology and our sense of values. Can we reject the motherland because she is poor? Can we beg from foreign people? This is definitely not the proper attitude for a loyal Chinese. Although the conditions of material life in developed capitalist countries are better than ours, there is an insurmountable dark side of things and there are incurable social evils. Bourgeois society is a society of exploitation of man by man. Unemployment, drugs, robbery, murders...emerge one after another in capitalist countries. Many people have no ideals or convictions and lead lives devoid of meaning. It is exactly like a foreign friend said: Having money does not mean having happiness. The United States is one of the richest countries in the world;

however, many people dare not step out of their doors at night and muggings are not uncommon during the day. Although China is still relatively poor today, because of the establishment of the socialist political system and economic system, the people have a common ideal, common morality and common discipline and there is stability and unity in public order. This is something beyond comparison with any capitalist country. Our forefathers said: "Poverty cannot stifle one's lofty ideals." This is the glorious tradition of the Chinese people. The modern writer and professor Zhu Ziqing was very ill in 1948; however, he preferred to die of starvation than take food handed out in contempt. He refused to take any U.S. "relief grain." This illustrates the integrity of the Chinese people. Comrade Mao Zedong highly praised him and proposed "writing a eulogy for Zhu Ziqing." Thus the poverty of the motherland should not shake our pure hearts but should become a powerful motivating force inspiring us to work hard for the prosperity of the country. A specialist, who has rejected the superior living conditions in a foreign land and returned to China to take part in the socialist construction of the motherland, said: "The magnificent mansions and houses of others are not as good as our own humble houses. We must build our own magnificent mansions for the Chinese people." These words are very well spoken! They reflect the deep love of the Chinese people for their motherland as well as their aspiration to build up China. Every Chinese, especially the young people, should take these words as his motto.

A man should have his moral integrity and a country should have its spirit. The key to whether or not we can gain the respect of foreigners in our contacts with them lies in whether or not we can safeguard our own moral integrity and the spirit of our country. As the saying goes, people will respect you if you conduct yourself with dignity and people will have a low opinion of you if you have a low opinion of yourself. If we have self-respect, we will certainly win the respect of the honest foreigners. On the contrary, if we lose our integrity and the spirit of our country, as some people do, and assume an air of complacency and servility, then foreigners will look down on us. In having contacts with foreign friends, we ought to stress civility and courtesy and be friendly.

On the eve of winning the national revolution, Comrade Mao Zedong exhorted us to heighten our vigilance against the attack of bourgeois "sugar-coated bullets." Since then, he has taught us many times to combat Jia Gui's ideology and work style and enhance our national self-respect and self-confidence. Comrade Zhou Enlai also repeatedly taught us in dealing with foreign friends to abstain from great-nation chauvinism on the one hand, and to be neither overbearing nor servile on the other. We must "build up our integrity and confidence." Many workers, peasants, workers involved with foreign affairs, scientists and technicians, students studying abroad, actors and actresses and sportsmen have adhered to the teaching of Comrades Mao Zedong and Zhou Enlai. Whether in having contacts with foreign friends at home or abroad, or during working, investigating, studying, competing and performing abroad, they have tried very hard to make their words and deeds comply with the demand of safeguarding the motherland's honor and national dignity, and there have been many stirring deeds. This has inspired and encouraged the people of the whole country. When Wei Yu, a lecturer from

Nanjing Technical College who was awarded a doctorate by a technical college in West Germany, was studying in West Germany, she was wholly absorbed in her studies and led a very hard life. When people asked her why, she replied: "Foreigners always appraise the Chinese social system, education system and women's liberation by evaluating every individual Chinese. I must not let them down in my words and deeds." China's woman scientist She Baoguang effected a breakthrough in the study of hepatitis B vaccine during her advanced studies in the United States. However, she declined an offer of a high salary in the United States and resolutely returned to the motherland. "I want to work for the well-being of the people in the motherland." These are indeed lofty patriotic sentiments and awareness! In international competitions, the sportsmen of our country struggle for the honor of the motherland. Therefore, when they score outstanding results and when the five-star red flag is slowly hoisted on the playing field, people burn with righteous feelings and are moved to tears. The motherland's honor and the national dignity affect the sentiments of thousands and millions of Chinese because they have a mutual affinity and are closely linked with each other. History and evidence have proved that being Chinese is an honor of which we should be proud. No matter what the circumstances, we must never forget that we are Chinese, members of the great Chinese nation. Our words and deeds must comply with the spirit of our country and our moral integrity, and we must never do anything to harm the interest and image of the socialist motherland. This is the rudimentary and basic moral character that we should have.

The CCP Central Committee called on us to strengthen the building of socialist spiritual civilization while strengthening the building of socialist material civilization, so that the people of all nationalities in our country will become people with ideals and moral character, disciplined and well educated. Safeguarding the honor and national dignity of the motherland is an essential substance and demand of the building of socialist spiritual civilization. Every one of us must take practical actions to implement this demand. We believe that if we strengthen ideological and political education, if the leading cadres at all levels and the party members set an example for others to follow and if we seriously deal with the small number of people who violate party discipline and laws, the patriotism and internationalism of the people in our country will certainly be brought into full play. We will be able to overcome the unhealthy trends existing in foreign affairs, and thus the open-door policy will be implemented in a healthier way and we will score better results.

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TRANSPORT WORKERS SHOULD STRIVE TO BECOME VANGUARDS IN PROPAGATING SOCIALIST SPIRITUAL CIVILIZATION

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[Article by Pan Qi [3382 3825]]

[Text] In the past few years, I have taken every opportunity to go to many places in Shandong, Liaoning, Zhejiang, Shanghai, Jiangsu, Guangdong and Beijing. Recently I have been to Shaanxi, Sichuan, Hubei and Anhui. I went from place to place to visit bus stations. Occasionally, I took a long-distance bus. Through direct contact with passengers, bus drivers, conductors and bus station personnel, I have come to know much about the situation and have heard various opinions. I have a strong impression: There are many problems in the present bus transport work but the most pressing problem to be solved is how to successfully carry out the building of socialist spiritual civilization.

Not long ago, Comrade Hu Yaobang pointed out: "Bus transport corps and bus drivers work in a decentralized manner. They are so decentralized that they are not easy to supervise. If we can handle them well, they will become a very good force that can propagate socialist spiritual civilization. If we cannot handle them well, they will propagate bourgeois pestilences and evil trends." Therefore we must first straighten out the mood of bus transport corps and bus drivers. He also pointed out: "Keeping to the positions of the party, the state and the people, we must set strict demands on them, explain to them the character and style appropriate to bus transport corps and bus drivers of a socialist country and require them to change their mood." Cadres, party members and YCL members should play their exemplary vanguard role and strive to become vanguards in propagating socialist spiritual civilization. Comrade Hu Yaobang further said: "The problem now is that the higher the ranking of an institution, the more unable it is to do ideological work. Such institutions are unable to do big jobs and then look down on small ones. They do not know how to do political and ideological work among the staff and workers on this front." He requires that we not only call for action, but also go into selected units, work with the workers for a specified period of time, maintain close contacts with the masses, set a good example, play an exemplary vanguard role and carry out criticism and self-criticism. He also requires us to pay attention to the livelihood of the staff and workers.

Comrade Hu Yaobang's opinions are quite correct and very important to bus transport personnel. He has pointed out a general aim for all comrades doing bus transport work: Be vanguards in propagating socialist spiritual civilization. Bus transport has the characteristics of being mobile and decentralized, of operating independently, of going into the depths of the cities and towns and of maintaining close ties with the broad masses. The style of bus transport personnel not only affects the production and livelihood of the people, but also makes a great impact on the mood of society. In recent years, the attitude and quality of service of the majority of bus drivers and bus station personnel have improved, and they are energetically propagating socialist civilization. But a certain number of bus stations and bus transport corps still have many problems, some of which are very serious. They are still far from the general aim of being vanguards in propagating socialist spiritual civilization.

On 1 December last year, I witnessed the situation which was described by a passenger who had written the following in the complaints book of a bus station:

"On my way to your bus station, I saw your bus stations along the way had something in common, which I will summarize in the following four sentences:

"1. Dirty--There is rubbish in and around the bus stations. It is unsightly.

"2. Disordered--Passengers do not buy tickets in an orderly manner. They do not queue up to board a bus, nor do they get off a bus and leave the station in an orderly manner.

"3. Bad--The working personnel are not responsible enough. They do not call the numbers of the buses. Once some passengers asked a station attendant when the next bus would arrive. He did not know that a bus had arrived.

"4. Unhealthy trends--Unhealthy trends are rampant. Acquaintances may go first without taking a number or queueing up. Passengers from other places have to wait longer even if their turn has come."

This passenger's opinion reflects the common characteristics of many bus stations. It also represents the opinions of the majority of passengers. The seriousness of this problem is evidence that many comrades in communications departments turn a blind eye and deaf ear and are apathetic to the above phenomenon. Some comrades "are not itchy even though their bodies are full of lice," and "are not worried even though they are debt-ridden." They do not care what happens. Some run away from trouble, cannot exert themselves, do not have enough faith in themselves and give up their posts. How can they become vanguards in propagating socialist spiritual civilization unless this spiritual phenomenon is changed?!

In 1980 and 1981, I went to Yentai in Shandong Province and Changshu in Jiangsu Province to visit two bus stations which had long been cited as Daqing-type enterprises. I particularly read all the opinions written in the complaint books by their passengers. Really, it was not unique but had its counterpart. Passengers' opinions about these two bus stations were so similar and serious. It was really astonishing! Most of the passengers' opinions about the bus station in Yentai were directed at the station's ticket sellers and working personnel who performed their duties very badly and abominably. There were even three cases of hitting and abusing passengers. Most of the passengers' opinions about the bus station in Changshu were also directed at the station's working personnel who performed their duties very badly and abominably. There were three cases of creating difficulties for passengers and of quarreling with passengers. A passenger wrote: "Let me ask: Where are your leaders' party spirit and mass viewpoint."

It has been 5 or 6 years since the smashing of the "gang of four," but these problems still took place in the two bus stations which had been cited as Daqing-type enterprises. What was the cause of these problems? And what did these problems show? I think we should find the root cause of the problems: What is the purpose of our socialist bus transport? Is it for the people or merely for production and profits? How should we transport enterprises handle the enterprise's relationship with shippers and passengers? Who are the masters after all? Who should transport enterprises serve? What are the standards for measuring the quality of our bus transport work? Who are the judges of our work? Should we look only at how the eight great indices are fulfilled, or should we also look at whether passengers and shippers are satisfied with our work? What is of particular importance is whether we should also build spiritual civilization and do ideological and political work well while in terms of attention we are paying attention to material civilization in tons and man in kilometers. These are fundamental questions in our communications and transport work. But some units and comrades often overlook these questions. They even confuse the relationship of these questions. Take these two Daqing-type enterprises for example. It was true that their achievements in fulfilling the eight great indices were substantial and that they enjoyed a resounding reputation after being cited as Daqing-type enterprises. But their attitude toward and quality of attending passengers were very, very bad. To make things worse, they beat up and abused some passengers. This was the fundamental reason why they were severely criticized by their passengers. Through the activities of the "five stresses and four beauties," and especially through this year's "all-people civility and courtesy month" activities, the two bus stations have made great progress in their work. This lesson is profound enough to learn from.

In the final analysis, socialist transport personnel must become vanguards in propagating socialist spiritual civilization, and the bus transport trade should take this as its own goal. But we must adopt a series of measures to achieve this goal. At present, we must particularly set forth specific requirements, because spiritual civilization is not at all empty or abstract. On the contrary, it is concrete and real. In particular, it must be manifested through the concrete actions of man. Do not our passengers say that our bus stations are dirty, in disorder, bad and full of unhealthy trends? To build spiritual civilization, we must first solve these four points. We must do a good job in public health, maintain good order, raise the quality of service and improve the attitude in attending to passengers. But the most fundamental thing is to solve the problem of unhealthy trends. If a bus station or a bus is full of unhealthy trends, it must be dirty, in disorder and bad. Once we have got rid of unhealthy trends, the problems of being dirty, in disorder and bad will also be solved.

Not long ago I went to the Zhuhai special economic zone in Guangdong Province. I saw the rules and regulations of the staff and workers of a car corps of the Shijingshan touring center. I believe their rules and regulations are very good and quite specific. For instance, working personnel are required to greet visitors with a smile. The driver must open the door and say "please" when allowing passengers to board the bus or car. Only after this may he board his bus or car and begin to drive. They have a set of rules for rewards and punishment. Absence from work without leave and taking care of personal matters during work hours are all recorded. The working personnel do not have to argue about the amount of money to be deducted from bonuses. Those who observe all of the rules and regulations are entitled to their rewards. Therefore everyone is very serious and energetic during work hours. I stayed there for 1 or 2 hours. No one was grinning impudently or loafing. If you go there, they will greet you with a smile. They are refined and courteous and are ready to answer any question. They have very few supervisors, but their work is in perfect order, and the staff and workers are full of vigor. The Zhuhai special economic zone in Guangdong Province is open to foreigners. It is close to the capitalist world. It is our outpost in the true sense of the word, and the working personnel there are our vanguards worthy of the name. They can perform their duties very well under such circumstances. Why cannot working personnel in other places do the same? So long as bus transport units all over the country can learn from this method, and so long as everyone is willing to work hard, rely on the party and the masses (including transport workers and passengers) to enable bus drivers, bus station personnel and ticket sellers to become vanguards in propagating socialist spiritual civilization, it is completely possible for our bus transport corps and bus stations to become outposts in building socialist spiritual civilization. Since the unfolding of the activities of the first nationwide "all-people civility and courtesy month," many bus stations and bus transport corps have been advancing in this orientation. So long as we can persevere, make the foregoing a regular and systematic practice and constantly consolidate and develop it, I believe Comrade Hu Yaobang's requirements on transport workers will certainly be realized.

> Editor's note: Pan Qi is an old comrade. He was vice minister in the Ministry of Communications. He has taken every opportunity to investigate bus stations and buses, and has made direct contact with passengers, bus drivers, ticket sellers and bus station personnel. He is

well acquainted with the opinions of the masses and constantly studies and improves his work. Leading cadres at all levels, especially middle-aged and young cadres who have just been promoted to leadership posts, are required to pay attention to and learn from his work style of going deep into the grassroots level and maintaining close ties with the masses. If leading cadres at all levels can perform their duties in this way, we will greatly reduce our bureaucratic work style and subjectivism, and there will certainly be a great improvement in our work.

CSO: 4004/38

GRASP FIRMLY THE CENTRAL LINK--IDEOLOGICAL EDUCATION

Beijing RED FLAG in Chinese No 11, 1 Jun 82 pp 34-36

[Article by Xin Cheng [2450 4453]]

[Text] Comrade Mao Zedong pointed out: "Ideological education is the key link to be grasped in uniting the whole party for great political struggles. Unless this is done, the party cannot accomplish any of its political tasks." ("Selected Works of Mao Zedong," Vol 3, p 1043) We should firmly grasp the central link of ideological education regardless of the time or what kind of work we are doing. Our party has a fine tradition in this respect. Our party itself is the product of the integration of Marxism-Leninism and the workers' movement. In this sense, it is appropriate to say that our party has built itself up by relying on ideological and political work. Ideological and political work has given impetus to our cause of revolution and construction so that it develops, grows and advances.

Millions upon millions of the masses have as their cause revolution and construction. Without the direct support and unswerving struggles on the part of the broad masses of people, it is impossible to achieve our goal. To encourage the broad masses of people to take part in the cause of revolution and construction in an active and orderly way, we should strengthen ideological and political work so that the masses will become people with ideals, morals and culture and who observe discipline. We should know that people's actions are governed by their ideology and that ideals and belief are their spiritual support. Their ideology and state of mind are connected with the orientation of their actions and effects. The fundamental task of our ideological and political work is to persist in using Marxism-Leninism-Mao Zedong Thought to arm the cadres and the masses, raise their consciousness and enhance their ability to understand the objective world. In so doing, we will arouse their enthusiasm to reform the objective and subjective world and to carry on the revolutionary spirit. They will enhance their revolutionary vigor to ensure the accomplishment of the task of revolution and construction.

In the past, Lin Biao and the "gang of four" had an ulterior motive in preaching the theory of the "omnipotence of spirit," saying that spirit and ideology might reverse the course of events and decide everything. This was truly ridiculous. After repudiating this idealist fallacy, the truth of materialism shines again. However, some comrades wrongly think that ideological and political work is no longer important. Such an idea is obviously wrong. The reasons why some of the theories of Lin Biao and the "gang of four" were ridiculous were that they reversed the relations between matter and ideology on the one hand and economics and politics on the other. This ran counter to the objective law of the development of matter. We uphold dialectical materialism and admit that matter decides ideology. Furthermore, we affirm the active role of ideology. We should not neglect ideological and political work because we have abandoned the idealistic theory of the "omnipotence of spirit."

Under the present socialist conditions in our country, there are various kinds of contradictions--the contradictions between the advanced and backward units, between right and wrong and between leaders and the masses. There are contradictions between the masses, state, collectives and individuals. In particular, there are the contradictions between the proletarian ideologies and various nonproletarian ideologies such as capitalist ideology, feudal ideology and so forth. Although the exploiting class has been eliminated as a class, its ideological influence will not disappear overnight. Furthermore, there are remnants of the exploiting class in our country, the dregs of Lin Biao and the "gang of four," and counterrevolutionaries. There is also the influence of and infiltration by Taiwan, Penghu, Jinmen, Mazu, Hong Kong, Macao and international capitalism. Therefore, class struggle within certain limits will exist for a long time. Our party members and cadres are still facing the danger of degeneration. At present, serious trends of bourgeois liberalization have occurred in various fields of the social life in our country; this is particularly so of the unlawful and criminal activities in the economic field. All these are the manifestation of the class struggle under new historical conditions. In order to promote the great cause of building our country into a socialist and modernized power, we should correctly understand and solve these contradictions and problems. To do this, we should never for a single moment cut ourselves off from ideological and political work. In particular, under the present conditions where the ideological influence of the exploiting class at home has not disappeared and where international capitalism still exists, the ideological field is not calm and tranquil. If we fail to strengthen ideological and political work, decadent bourgeois ideology will inevitably take advantage of this opportunity to intrude and corrupt our ranks. Over the past 2 years or so, unlawful and criminal activities in the economic field developed to a very severe extent and even some party members and cadres were involved in criminal activities. This situation was, apart from other reasons, attributed to the defects of our work. In other words, while implementing an open-door policy toward foreign countries and enlivening our domestic economy, we neglected the improvement of our management system and measures and did not do our ideological and political work well. Therefore, we should on no account neglect ideological and political work. We should conscientiously grasp it and persist in doing so for a long time.

Some think that so long as we do a good job in the economy and improve the people's material living standard, they will automatically excel in ideological work, and that there is therefore no need for us to grasp ideological work. This is really an oversimplified way of treating the relationship between economic development and ideological change. Will people's ideological consciousness be automatically raised when we have effectively improved our economy and enhanced material living standards? Admittedly, the development of production and the improvement of our material and cultural life will have a great bearing on the people's ideology; spiritual civilization cannot be separated from certain material conditions. However, spiritual civilization is not a direct derivation or appendage of material civilization. Instead it is a great ideological construction project. In order to build socialist spiritual civilization, we must carry out careful and painstaking work over a long time. We should use ideological education to promote spiritual civilization and should make use of the legal system, discipline and public opinion to maintain and consolidate it. While using positive measures and the role of advanced examples as guidance, we should criticize and struggle against passive, backward and reactionary things. While advocating the new socialist ideas, morals and habits, we should carry on and absorb fine historical traditions. It is not to be supposed that if we engage only in the building of material civilization, the tall buildings of spiritual civilization will automatically tower in front of us. Marxism has told us that what directly determines people's ideology is not productive forces but production relations, that is, people's economic status (or class status in a class society). People's ownership of the means of production, their positions and role in the process of social production and what they get from the distribution of social products determine their ideological viewpoints and feelings. Once a kind of social ideology has been established, it is relatively independent of its economic base. Although the old economic base has disappeared, the old ideology will not vanish immediately. To eliminate its influence, we should carry out a fierce struggle in the ideological field so that the new ideology will take the place of the old one. Furthermore, no kind of systematic doctrine or theory will spontaneously take root in the people's minds; the people can only acquire them through propaganda. This is particularly the case with Marxist-Leninist theories and communist ideology. To enable the broad masses of people to master communist theories and ideology, we should, under the leadership of the party, carry out extensive and profound ideological education and a sustained struggle against the ideological concepts of the exploiting class and private ownership mentality. This objective cannot be attained through effective economic work alone. For example, in the 1950's and early 1960's, people's mentality and the general mood of the society were better than at present. However, the level of economic development at that time was not as high as at present. It is incorrect to say that with the development of material production, people's socialist ideological consciousness will also rise. Any spontaneous theory viewpoint is utterly groundless because it goes against the law of ideological changes. Furthermore, without strengthening ideological and political work and raising people's ideological consciousness, it is impossible to fully arouse their enthusiasm for socialism, promote the national economy and enhance their living standard.

There is another viewpoint related to the aforementioned one. It is that some attribute certain unhealthy phenomenon and bad tendencies in the society to the low level of the development of production and the poor conditions of people's material life. Such a view is completely wrong. Do a low level of production development and poor conditions of material life inevitably usher in unhealthy trends or even unlawful and criminal acts? If we accept this view as correct, it means that we hide the evil consequences of the protracted sabotage of Lin Biao and the Jiang Qing counterrevolutionary cliques and deny the struggle between corrosion by the capitalist ideology and corrosion-resistant socialist ideology, a struggle which really exists. In other words, we admit that unhealthy trends and unlawful and criminal acts are pardonable. Moreover, our production is constantly developing and the people's living standard is continuously rising. It is improper to say that the level of development of our production is low and our material living conditions are poor without making any analysis. Actually, the reason that some people were influenced by unhealthy trends or even committed crimes was not because they lacked food or clothing, but because they were corroded by the capitalist decadent ideology and the bourgeois way of life. It is impossible to clarify the problem or seek a correct way of solving the problem by simply seeking the economic cause.

Some comrades maintain that as long as we do things according to economic law, we will promote economic construction well. To them, it is unnecessary to stress the importance of ideological education. This is also a kind of muddled idea. To carry out economic construction, we should, of course, do things according to economic law and make use of necessary economic means. There is no doubt about that. However, it is wrong to merely regard economic work as a process of economic development. This is because economic work is done by the people. It is the people who understand and make use of economic law. Are people's ideological conditions and mental attitudes not connected with their understanding and utilization of the economic law? It is appropriate to say that if we deviate from ideological education and fail to enhance people's level of understanding of Marxism-Leninism-Mao Zedong Thought and raise their communist consciousness, it is impossible for us to truly understand economic law and consciously utilize it. We will inevitably be manipulated by the spontaneous role of economic law. For instance, we should rely mainly on the guidance of the state plan to develop our economy in the rural areas. At the same time, we should make use of the role of law of value. However, if we give up ideological and political work and fail to provide peasants with the education of "paying equal attention" to the interests of the state, the collectives and individuals, some of them might disregard the interests of the state and the collectives. Thus the economy of the rural areas will go astray. In our economic work, we should stick to the principles of relying mainly on the planned economy, making the law of the marketplace subsidiary to these principles and coordinating all the activities of the nation as in a chess game. To do this, we should oppose erroneous ideas such as selfishness, seeking private gain at public expense, decentralism, departmental selfishness and so forth. Otherwise we will follow an erroneous tendency. To effectively implement the principle of distribution according to work and overcome egalitarianism, it is necessary to give staff members and workers who have overfulfilled production quotas and scored marked achievements a certain amount of pay and bonuses. This will help arouse their enthusiasm. However, if we give up ideological and political work and regard the issuance of bonuses as the sole motive force for arousing the masses' enthusiasm in production, things will go contrary to our wishes. We will not only fail to arouse people's socialist enthusiasm, but also encourage them to "take money as the end-all." As a result, they will go astray. Some enterprises have learned profound lessons in this respect. We should bear it firmly in mind. Of course, ideological and economic work should be combined with economic work and people's material interests. We are not allowed to indulge in empty talk. In other words, we should closely integrate ideological and political work with reality and carry it out in a thoroughgoing and painstaking way. We should convince people by reasoning, not coercion. Otherwise, it will be difficult for us to achieve good results.

Those who educate the people should be educated first. To strengthen ideological and political work, leading cadres should, first of all, fully understand the importance of the work. When we raise the subject of strengthening ideological and political work, some people think that we intend to provide only the masses with ideological education. Actually, we should, first of all, solve the ideological problems of the leading cadres. If leading cadres fail to straighten out their ideas, do not fully understand the importance of ideological and political work or are even influenced by a number of erroneous and muddled views, they will not be able to carry out ideological and political work effectively. Therefore, leading comrades at all levels should strengthen their study of Marxism-Leninism-Mao Zedong Thought and fully understand the interrelationships between material civilization and spiritual civilization on the one hand and politics and economics on the other. They should also clarify the interrelationships between politics and technology as well as economic work and ideological work. They should truly and firmly grasp the central link of ideological education and never for a moment relax their efforts in this respect.

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TEACHERS SHOULD SET EXAMPLES IN BUILDING SOCIALIST SPIRITUAL CIVILIZATION

Beijing RED FLAG in Chinese No 11, 1 Jun 82 pp 37-39

[Article by Yu He [6735 4421]]

[Text] Millions of people are concerned about the development of youths and it is a matter of strategic significance to educate well the hundreds of millions of youths across the country. It is the responsibility of the whole society to educate young people, but the responsibility of primary and secondary school teachers is even more direct and concrete. The state and parents of youths have entrusted the children to schools, hoping that teachers will educate them well. The reason why we should pay attention to the work of teachers and stress the importance of such work is that we have placed our hopes in the future and in the next generation. There will be hope for our cause only if we are able to educate the next generation well.

Lenin pointed out: "The most important course in any school is political orientation. Who decides this orientation? It can only be decided by the entire teaching staff." ("Collected Works of Lenin," Vol 15, p 438) Comrade Mao Zedong also said that for a school "the most important things are selecting the principal and teachers and defining reaching principle." ("Selected Works of Mao Zedong," Vol 1, p 161) Following definition of teaching principle, an important problem is the question of teachers, for both ideological education and teaching work in schools are mainly carried out through teachers. Whether teachers are able to carry out their work well will directly influence the growth of the broad masses of primary and secondary school pupils. There are more than 10 million primary and secondary school teachers in our country. They make up a big revolutionary army. These teachers have heavy responsibilities and are busily occupied with their work. With arduous tasks, they work very hard and have a particularly important responsibility of bringing up a new generation and of building socialist spiritual civilization. Whether they are teaching culture and scientific knowledge or nurturing the broad masses of primary and secondary school pupils in ideology and morality, all such works are an important aspect of the building of socialist spiritual civilization. The youths that are being educated by primary and secondary school teachers will become builders of socialist materialistic civilization and spiritual civilization. Therefore, it is true when we say that teachers are engineers of the souls of mankind and active and direct builders of socialist spiritual civilization.

The "five stresses and four beauties" campaign that is being launched across the country is an important part of the building of socialist spiritual civilization. It is very important to launch such a campaign in primary and secondary schools. As for the pupils, through the requirement of concrete images and the implementation of students' regulations, pupils will be able to differentiate between what is beautiful and what is ugly, between good and evil, and between what are good, beneficial and civilized deeds that should be actively undertaken and what are uncivilized, ugly and unhealthy things that should be resolutely discarded. Consequently, they will be able to constantly raise their ideological consciousness and morality, strengthen their sense of organization and discipline and grow along a correct and healthy road. This campaign has provided the teachers with an opportunity to combine the building of socialist spiritual civilization with their daily routines so that their educational work will have a stronger ideological nature and more definite goal. In addition, teachers will be able to do a good job in the campaign, lead pupils to follow their examples and make all schools have a good style of study and work only when they set examples. If the tens of hundreds of our schools are able to do well in this regard, they will constitute a tremendous motive force in improving social practice and in establishing new habits.

The delegates to the national conference of the trade unions of the primary and secondary schools across the country to exchange experiences in ideological and political work called on teachers to set examples during the campaign. This is a significant proposal and it has pointed out a direction for teachers' activities. The "four beauties" first of all means beautiful souls. The beautiful souls of teachers are mainly demonstrated in their loyalty to the party's education cause and their love for their work, their schools and their pupils. Pupils represent our future and are the successors of our revolutionary cause. Therefore, the conditions of these pupils' growth and ideology are important and directly related to the future of our country, the fate of the nation and the success or failure of our revolutionary cause. Therefore, the teachers must demonstrate their love for the party and the socialist motherland first of all by doing a good job in their own work and in nurturing their pupils.

Love for pupils is an invaluable feeling as well as a foundation for doing a good job in education. Our purpose is to educate pupils according to the requirement of the party and the country so that the pupils may develop their morality, knowledge and physical fitness and become laborers with socialist consciousness and culture and talents, having political consciousness and professional knowledge. This is the glorious and yet heavy historical task of teachers. The educators of new China must not only pass on knowledge but also be responsible for educating students in ideology and morality so that they will not only possess rich knowledge but also have higher ideological consciousness and beautiful morality and understand that the purpose of gaining knowledge is to use it to serve the people and contribute to their motherland and to mankind. If we pay attention only to injecting knowledge and examination subjects into the minds of pupils but pay no attention to making them wise, and if we do not guide them to form high ideals and do not pay attention to helping them form an aesthetic outlook and to carrying out physical conditioning, we will run counter to the goal of socialist education as well as to educational principles. Good people's teachers must educate and instruct people, implement the party's educational principle in an all-round way and be concerned with the growth of all the pupils.

In order to educate pupils it is imperative to understand them and to be acquainted with each of them so that with a definite objective in view we will be able to teach them with skill and patience and help them grow. If you do not understand them and do not know what they are thinking, then you only speak your own words and they think their own problems. Thus you will not be able to do a good job in education. Some outstanding teachers maintain close contact with the pupils and make friends with them. The pupils regard such teachers as their intimate friends. They like to tell the teachers what they have on their minds in order to seek guidance from them. Teachers must work hard to make themselves respected and loved by the pupils, not respected but distant. Teachers cannot disregard those pupils who are doing poorly in their studies, nor can they despise them. On the contrary, teachers must love them, must even show particular concern for them and give them more help. In fact, pupils with more shortcomings need more concern from their teachers.

Teachers must not only ardently love their pupils but must also be accomplished and skilled in carrying out their work or they will not be able to accomplish their tasks. Therefore, they must study hard and be professionally competent and spare no efforts to improve teaching methods so as to improve their teaching standard. Their study and profession must include specialized knowledge on subjects taught and each teacher must understand related knowledge about pedagogy, psychology and teaching methods, and have some knowledge of Marxist-Leninist basic theories and the party's important policies and principles. Only when teachers have grasped this knowledge will they be able to teach with good results and according to the requirements of the party and the people and to the young people's psychology and physiology.

Primary and secondary school pupils are in the stage of rapid growth, highly impressionable and incapable of distinguishing right from wrong. They have little ability to control themselves and are vulnerable to outside influence. They often understand things and differentiate right from wrong proceeding from concrete images; therefore, the deeds and the attitudes of their teachers have a particular influence on them. That is why we have particularly stressed the importance of the role of teachers' examples and demanded that the teachers always pay attention to their own moral cultivation, place strict demands on themselves, train themselves to become politically conscious and professionally competent and set examples for pupils with regard to cultural development, ideological standards and morality. Since teachers demand that pupils form a high spiritual civilization, it is first of all imperative for teachers to do so. Since teachers demand that pupils speak beautiful words, the teachers themselves must not speak ugly and uncivilized words. They must say beautiful things during or after class, in front of pupils, in school, when not around pupils, outside school and at home.

Setting an example for others means playing an exemplary role, being as good as one's word, thinking and behaving in a certain way, and teaching by personal example as well as by verbal instruction. That is to say, teachers must educate and influence the feelings and souls of the pupils through their own deeds and with vivid and sound reasoning.

It is imperative for the party organizations and educational administrative departments and teachers' organizations of education trade unions at various levels to make concerted efforts to enable the broad masses of teachers to meet the above-mentioned requirements and set examples. It is necessary now to further implement the party's policy on intellectuals, unite the broad masses of teachers around the party, fully mobilize their initiative and creativity, further improve their political and professional level and working capability and further improve their conditions for work, study and life as well as their position. Primary and secondary school teachers have been an important army in the ranks of intellectuals; it is the biggest such army. We cannot say that there are no problems in the question of how to use and treat teachers. Even today, the leadership in some regions and units still do not really understand the importance of education and the position of the roles of intellectuals in this new period. They do not conscientiously carry out the pertinent policies of the CCP Central Committee issued since the 3d Plenary Session of the CCP Central Committee. Particularly, they do not show enough concern for young intellectuals. As a result, the capabilities of many young people have not yet been fully displayed and their difficulties in work, study and life have yet to be properly resolved. In addition, since the implementation of the open-door policy, some people have been influenced by bourgeois ideology while our ideological and political work is very weak. Consequently, some problems have appeared in our work. Therefore, it is imperative for party organizations at various levels to conscientiously implement the party's policies concerning intellectuals and eradicate the biased views about intellectuals that still exist within the party and in society. It is necessary to treat intellectuals equally in politics, use them daringly in their work and be concerned with their livelihood. It is imperative to make the broad masses of teachers realize that they are rasters of their country and schools so that they will be able to fully display their initiative and pool their wisdom to run schools well. Some schools have experimented in setting up the system of teachers' congresses under the leadership of party committees with encouraging results. We must also create broad public opinion in schools and society so as to form a new social practice of pupils respecting teachers and the latter loving the former.

The party committees at various levels must carry out vivid, practical and effective ideological and political work and do a good job among the teachers through education trade unions. Education trade unions recently pointed out that it was necessary "to proceed from the features of education trade unions and to give priority to doing a good job in ideological and political work among teachers." This statement is in accord with reality and represents a glorious tradition of the education trade union. The broad masses of intellectuals are part of the working class. But the working class is not a golden symbol. It must set examples through its own deeds and constantly transform its subjective world outlook in the process of transforming the objective world. In order to carry out ideological and political work well, it is imperative first of all to arm teachers with Marxism-Leninism-Mao Zedong Thought and the party's principles and policies, and to educate them in the revolutionary tradition of the working class and historical tasks. It is also necessary for teachers, through study and practice, through criticism and self-criticism and by overcoming shortcomings, to get rid of various influences of bourgeois ideology, constantly raise their communist ideological consciousness, persist in the four basic principles, constantly improve their sense of responsibility toward the revolutionary cause, step up their consciousness in implementing the party's education principles, persist in and develop the morality and tradition of the working class and make demands of themselves, influence pupils and carry out their work with the ideology and morality of the working class.

Leading cadres at various levels must visit schools, contact the broad masses of teachers to understand their situations with concern, patiently and honestly help them to solve problems and make friends and talk with them. When conditions permit, the teachers' actual problems in their work, life and study must be resolved immediately. When they have problems in their ideology and understanding, leading cadres should in no way take the stand as educators and criticize them; on the contrary, they must proceed with good intentions, patiently help them to solve problems, become friends of the masses and combine the work of solving ideological problems with actual problems. Primary and secondary school teachers have a certain cultural level with various talents; politically, they protect the party and socialism, they work conscientiously with sense of responsibility. They have a healthy, modest and reasonable ideological style. Their social economic position is not high. Therefore, it is imperative for the leadership to understand, trust, respect and have concern for them. They are busily engaged in their work. Their lives are monotonous and therefore they must be given an opportunity for contacts with society and nature. Teachers not only have to improve themselves, but they also must educate pupils. Therefore, they must be given some "capital" so that they can play still greater roles.

Trade unions are communist universities and full use must be made of the features of trade unions in carrying out ideological and political work. It is necessary for self-education of the masses to be carried out from the top down to grassroots levels so as to promote the basic positive education method of displaying the advanced to lead the general, to carry out educational activities with definite purpose, and to carry out various lively and imaginative educational activities and inspire and exert influence on people's character and thinking. With definite guiding ideology and fully representative of mass organizations, the work of trade unions will be very helpful.

In short, with policies implemented and a good job done in ideological work, people will be convinced to improve their understanding and step up their efforts. In this way, it will be possible to form a deep ideological foundation for teachers to set examples while the work in educating our new generation will be guaranteed.

CSO: 4004/38

IT IS HELPFUL TO STUDY THE THEORY OF REPRODUCTION

Beijing RED FLAG in Chinese No 11, 1 Jun 82 pp 40-42

[Article by Huang Zhigang [7806 1807 0474], second secretary of Tianjin Municipal CCP Committee]

[Text] Not long ago, some cadres in Tianjin municipality studied the Marxist theory of reproduction and the reaction was quite good. Taken as a whole, the study has helped us deepen our understanding of the principle of readjustment, restructuring, reorganizing and upgrading that has been implemented by the CCP Central Committee since the 3d Plenary Session of the 11th CCP Central Committee. The following derives from my understanding gained in the study of the Marxist theory of reproduction, and I use my understanding in concretely explaining the guiding role of this theory in our economic construction.

It must be said that the principle of the proportionate development of production of the two big categories is the core of the Marxist theory of reproduction. Marx classified the complicated and intermingled economic activities into two big categories--production of the means of production and production of the means of consumption. He also pointed out the relationship of mutual adaptability and mutual balance between the two categories and within each of these categories. This is an objective need in social mass production that is independent of people's will. Because of the influence of "leftist" ideology for quite a long period in the past, our planning to a certain degree departed from our country's objective need for proportionate development of the national economy and departed from practice. As a result, our national economy was out of balance which caused serious waste of social productive forces. The purpose of the readjustment put forth by the CCP Central Committee is aimed at enabling our national economy to take the road that accords with proportionate development in production of the two big categories and to achieve better economic effects. Therefore the questions of what is to be readjusted, how to readjust it and how to realize a good circulation in the national economy can in no way be defined subjectively; they must be guided by the Marxist theory of reproduction.

In expounding the conditions for the realization of social reproduction, Marx pointed out that whether in simple reproduction or in expanded reproduction, the production of the first category must not only make up for its own consumption of the means of production but must also meet the needs of the second category in terms of means of production; the production of the second category must not only make up for its own consumption of the means of subsistence but must also meet the needs of the first category in terms of means of subsistence. Social reproduction can be carried out smoothly only when we are able to follow the proportionate relationship between these two categories as pointed out by Marx and realize the conditions for this relationship. Many of the problems that cropped up in our economic life over the past many years, such as consumer goods being in short supply for a long period and unbalanced phenomena such as enormous stockpiling of heavy industrial products, particularly mechanical and electrical products, were caused by the fact that we upset this balance. The CCP Central Committee pointed out that in carrying out readjustment work it is imperative to combine the work of developing light industry and the textile industry with readjustment in the service orientation of heavy industry so that the production of the two big categories will gradually become balanced. This is completely correct. Under the leadership and with the support of the CCP Central Committee, Tianjin municipality has, since 1979, emphasized the development of light industry and the textile industry. On the one hand, the city has concentrated its efforts in developing 18 trades, promoting the production of 136 varieties of famous brand products and "fist" products and in carrying out 902 technical reform projects. On the other hand, it has organized heavy industry to serve the technical reform and equipment renewal of the light and textile industries and to provide urgently needed advanced technical equipment and good quality raw materials with applicable specifications. Thanks to these efforts, the value of the city's gross industrial output increased on an average by 8.8 percent annually over the past 3 years. Of this, the output value of light industry increased by an average of 14.8 percent annually while heavy industry increased by 2.2 percent. In the gross industrial output value, the proportion of heavy industry has decreased and, as a result, the industrial structure has tended to be more rational. This shows that the national economy will be able to develop smoothly only when our planning accords with the law of mutual agreement in the production of the two big categories.

According to the Marxist theory of reproduction, the various departments within the production of the two big categories must also develop proportionately. Take the first category for example. In addition to producing the means of production for the production of the second category, the first category must also meet its own needs and carry out exchanges among its own various departments. Marx referred to this situation as "producing a constantly repeated movement" between the constant capital within the first category and constant capital. This situation is in fact what today we often call self-service by heavy industry. Therefore it can be seen that self-service by heavy industry is imperative and, under the prerequisite that it accords with the law of reproduction movement, can in no way be neglected. We made mistakes in our work in the past because we exaggerated self-service and neglected serving the second category and to a certain degree our work was characterized by blindness in carrying out production just for the sake of production. In the process of readjustment, it is necessary to stress the importance of heavy industry serving agriculture and light industry but at the same time we cannot neglect the importance of heavy industry serving itself. We must pay attention to this question. In the final analysis, the rational self-service within heavy industry itself is in the interest of serving agriculture and light industry still better. Take the machine building industry for example: Unless the structure of the products of the machine building industry is readjusted, no new varieties of products are added and no improvement is made in the quality of the products. It will thus not be possible for the various departments of our national economy to have an advanced technical foundation and consequently the constant and stable development of our national economy will be affected. Therefore it is imperative for us to understand the Marxist principle of the interrelationship between the production of the two big categories in an all-round and correct way.

In referring to the expansion of reproduction, Marx pointed out the existence of the two forms of reproduction. One is extensive expansion of reproduction, that is "building new factories outside the old factories." Today we refer to this situation as adding new items and projects. Another is intensive expansion of reproduction. This means relying on the existing enterprises by tapping their potential and improving their "efficiency of the means of production" so as to expand the productive force. It is of great significance to have a clear understanding of the forms of these two different forms of expansion of reproduction. In readjusting the national economy, the party Central Committee stressed the importance of the strategic measures of intensively expanding reproduction as the main factor so as to mend the longstanding lopsided point of view and method of expanding the scale of production by mainly relying on adding new items and projects.

Marx expounded the concrete contents of intensive expansion of reproduction from many aspects such as progress in production, technology, rational organization of productive forces, improvement in the skills of laborers and making full use of the means of production. Such intensive development in the expansion of reproduction is in fact developing production in depth and breadth. Our investigations showed that over the past few years, some trades and enterprises have paid attention to intensively expanding reproduction. They have improved their management, carried out coordination among specialized departments, undertaken technical reform and equipment renewal, improved scientific technology and quality of products and added more new varieties. They have made considerable achievements as they have carried out only one or two of these items, but in a good way. The Tianjin No 3 Steel Rolling Plant has carried out a major technical reform every year since 1978 and basically it has been able to put the results of the reform into production in the same year. This plant has been able to add an annual 10 million yuan of profits for 3 years running. The Tianjin Dyeing and Textile Industry Company and its subsidiaries carried out coordination in production among specialized departments and as a result, production output value in 1981 was 99 percent higher than 1978 and profits increased by 1.2 times. The Tianjin Seamless Tubes Factory implemented an accounting system in economic contacts between departments, workshops and teams and as a result, the profit rate of capital grew to 30 percent in 1981, or 1.2 times higher than 1978, while profits increased by 4.7 times. If all our enterprises are able to proceed from their own specific conditions and carry out feasible and comprehensive measures, they will no doubt achieve better economic effects. When we stress the importance of carrying out intensive expansion of reproduction as the main, we do not mean putting aside extensive expansion of reproduction when it is possible, and particularly not in energy and communications construction. It is imperative to overcome this weak link in order to create conditions for the better development of our national economy.

The principle of capital circulation and turnover constitutes an important part of the Marxist theory of reproduction and therefore it is also of realistic significance to study this principle.

It can be seen from the whole process of socialist social reproduction that whether the movement of capital can be carried out smoothly mainly depends on whether or not we can correctly handle the proportional relationship between the two big categories and the relations between intensive expansion of reproduction and extensive expansion of reproduction. But we must understand that the movement of capital itself is relatively independent. Therefore when there are problems in some links of the movement of capital, such as a lack of coordination in supply, production and sale and the relations between industry and commerce and between industry and trading not being in harmony, these problems will spoil the balance between the two big categories. Consequently it is necessary for us to fully understand the importance of capital circulation and turnover. Marx' explanation about rational utilization of fixed capital and working capital is helpful to us in solving such problems as the low utility rate of fixed assets and excessive use of working capital; his views about how to sell commodities in a timely way is useful in solving such problems as having limited channels for commodity circulation, too many intermediary links and bad circulation; his views on "voluntary" and "involuntary" commodity reserves will help us solve such problems as irrational commodity reserves and irrational use of capital, while his views about banking are helpful to us in improving the roles of our banks in raising, collecting and using finance and in speeding up capital turnover. Therefore, industrial, agricultural, commercial, banking and tax revenue departments must proceed from the point of speeding up the movement of social gross capital, closely coordinate with each other and spare no efforts in carrying out their own duties. They must in no way proceed from departmentalism and disregard the whole situation; otherwise they will cause waste in the use of capital.

As mentioned above, I believe it makes a big difference for the broad masses of cadres, particularly those working in the economic sector, whether or not they study the Marxist theory of reproduction. In studying "Das Kapital" in the past, we mostly concentrated our attention on exposing the exploitation and decadence of capitalism and in understanding the objective necessity of the dying out of capitalism. This method of study is of course right. But from this book we must absorb more spiritual nourishment that is needed in our modernization program. Last year and in spring this year, Tianjin city organized leading cadres above the regional, prefectural and bureau level to study the Marxist theory of reproduction and the results were quite good. Practice in this study proved that the Marxist theory of reproduction is not beyond our reach, nor does it depart from practice. On the contrary, this theory has an important guiding role in our economic construction. We must sum up our experiences in this study so that our cadres will be able to make further progress in their study.

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DIALECTICALLY PONDER OVER ECONOMIC PROBLEMS

Beijing RED FLAG in Chinese No 11, 1 Jun 82 pp 43-45, 42

[Article by Zhang Jing [4545 4544]]

[Text] In the study of economic theory, we should ponder problems and sum up experiences using the scientific ideological methodology of materialist dialectics. In other words, we should grasp the dialectical relations of the development of objective affairs in the sphere of economics and link the general laws of materialist dialectics with actual practice in economic work.

People can readily see that the economic sector really is a "boundless universe." It comprises numerous divisions and trades. The network of production and circulation is widely scattered while the division of work and coordination are profoundly related to each other and form a criss-cross network of immense dimensions. Each and every economic "factor" not only is mutually dependent, subjected to reciprocal control and part of the organic whole but also is influenced by internal and external factors and remains in a state of constant motion and change. Furthermore, all matters in the economic sector have their inherent contradictions and are governed by the relations of the unity of opposites. For example, the productive force and production relations of the entire socioeconomic system, the accumulation and consumption of the national income, the "bones" (production construction) and "meat" (nonproduction construction) of capital construction, expanded reproduction by intension and expanded reproduction by extension, the central authorities and the local authorities of the management system, big planning and small freedom, and so on, are all examples of the unity of opposites. As for an individual economic division, it also has many concrete instances of the unity of opposites such as, for example, grain production and diversified operations in agriculture, heavy industry and light industry in industry, centralized leadership and diversified management in commerce, and so on. The parties of the contradiction in the unity of opposites repulse each other but depend on each other, jointly form the composite body of the national economy and foster and promote economic development. Lenin said: "Dialectics may simply be verified as the theory of the unity of opposites." "In order to understand the 'self-movement,' self-generated development and vitality in all the goings-on in the world, we must understand these proceedings as the unity of opposites." ("Collected Works of Lenin," Vol 38, pp 240, 408) In economic work, our guiding thought should be to correctly understand and handle the various contradictions in the economic sector. The results of our work will have to depend to a certain extent on whether or not we can consciously employ materialist dialectics and correctly grasp and regulate the dialectical relations of the contradictions between the two parties of the unity of opposites.

Looking at past historical experience, we are deeply impressed by the importance of dialectically pondering economic problems by pursuing the law of the unity of opposites.

Early in the democratic revolutionary period, Comrade Mao Zedong had already noted the importance of the use of materialist dialectics in guiding economic work. He formulated such principles as promoting production, protecting supplies, centralizing leadership, diversifying operations, having regard for both the military and the civilian, considering both public and private interests, placing equal emphasis on production and economy, and so on. These were all measures to promote the development of production and economic prosperity in the base areas. At that time, the matters of primary concern were the military and political struggles and economic construction had yet to place on the daily agenda for deliberation. Consequently, there was not yet a possibility of fully developing economic dialectics. After the founding of the PRC and following the large-scale development of economic construction, the use of material dialectics to guide economic work became an important lesson in guiding thought. During the first 5-year plan period, we were comparatively more cautious and more realistic. We handled relations between productive force and production, industry and agriculture, accumulation and consumption, "bones" and "meat" and the like fairly well. We succeeded fairly well in bringing about an overall balance. As a result, economic development progressed at a rapid pace and the 5-year plan was triumphantly fulfilled in less than 4 years. In Comrade Mao Zedong's 1956 report "On the 10 Big Relationships," he made use of materialist dialectics to give a systematic summary of the experiences in practice in socialist construction. Especially concerning the relations between industry and agriculture, heavy industry and light industry, coastal industries and inland industries, state production units and individuals, and central and local authorities, the discussions were full of economic dialectics and were extremely significant in guiding our economic work. When Comrade Chen Yun was in charge of economic and industrial affairs, he strongly insisted on the principle of being practical and realistic and was keen to make use of materialist dialectics to analyze and solve problems. For example, many of his viewpoints were full of economic dialectics, such as his views that in a socialist economy state-operated enterprises and those operated by the collectives should form the principal part and a restricted number of individually operated enterprises should be supplementary; that in industrial and agricultural production, planned production should be primary and free production within the sphere of the national plan should be supplementary; that in a socialist unified market, the state market should be primary while the free market under the state's leadership and within a prescribed area should be supplementary; that economic construction and the people's standard of living should both be given due attention and be balanced; that great attention should be given to the study of the proportionate relations within the national economy and to achieving an overall balance; that in capital construction both the general and the particular or pivotal points should be ensured and attended to; that in arranging construction projects note should be taken of the existence of light items among the heavy ones and of the existence of heavy items among the light ones, and so forth. These correct viewpoints of Chen Yun further amplified and developed the economic thought brought forth by Comrade Mao Zedong in his treatise "On the 10 Big Relationships" and played an important part in guiding China's economic construction at that period. Although at the time certain of his views were not given great attention or adopted, yet because they reflected the dialectical relations of objective things and constituted materialist dialectics that could be put to concrete use in economic work, they were able to stand the trials of actual practice and examination. Even today, after more than 20 years, they still possess great vitality. It can thus be seen that in the final analysis a correct economic guideline and a correct economic theory reflect and summarize the dialectical relations of objective things in the realm of economics and in fact are the results of dialectically pondering economic problems.

If it is established that the triumph in our country's socialist economic construction is indivisible from the due regard given to the use of materialist dialectics in our guiding thought, then it may be concluded that the errors or setbacks suffered in our country's economic construction are to the same extent closely related to our overlooking or even violating materialist dialectics.

Our violation of materialist dialectics is mainly due to one-sidedness in understanding. Just as Comrade Chen Yun pointed out: "Our errors are due to the failure to do things according to objective facts. But those of us who have committed errors were not without some support. Rather, they mistook the part for the whole." ("How To Make Our Understanding More Complete") Our errors in economic work were mostly of this nature. For example, our socialist transformation may be said to have been as a whole successful, but in the course of its progress some comrades were over-impressed by the merits of centralized production and centralized operation and overlooked the fact that centralized production and diversified production and centralized operation and diversified operation were in reality the unity of opposites and, although opposed to each other, could readily assist each other. As a result, the phenomena of blindly chasing after the merging of small plants into big plants and of converting diversified operations to centralized operations developed. This brought about such maladies as certain products deteriorating in quality, a decrease in the variety of products, poor services rendered, inability to respond to the consumption needs of the populace, and so on. Again, for example, since the latter part of the 1950's and over a fairly prolonged period, the one-sided over-emphasis on the development of heavy industry (particularly the iron and steel industry) and on achieving large accumulation and a high speed of development has resulted in the entire national economy losing its balance and there is no way for it to develop smoothly. Hence, although generally speaking one-sidedness cannot be said to be idealism, yet if one-sidedness has a start and if one side of the contradiction develops to the point of absolute predominance, this may possibly lead to idealism and to the opposite side of materialist dialectics.

Engels long ago pointed out: "Contempt for dialectics will invariably bring punishment." ("Selected Works of Marx and Engels," Vol 3, p 482) For many years, we have suffered much in this regard and have had many painful experiences and lessons. These experiences and lessons may be summarized from different angles and different sides but there are two points of a regular and basic nature. These should be especially noted and thoroughly studied in the course of theoretical study.

One point is that in economic work we must hold firm to this materialist dialectic basic concept of the unity of opposites. At no time and under no conditions should we strongly emphasize one side, overlook or even refute the other side or, in short, sacrifice one side in order to play up the other side. To put it in Lenin's words, we should not hold one side "in esteem to the point of the absolute." ("Collected Works of Lenin," Vol 38, p 222)

When touching on economic relations and economic contradictions, Engels said: "Since this is one type of relations, it means that the reciprocal connections of the two sides are involved." ("Selected Works of Marx and Engels," Vol 2, p 123) Since objectively the two sides are mutually related and mutually dependent, losing one side renders the other side untenable. Hence, we cannot artificially separate the two sides or one-sidedly care for one end but forsake the other. Take for example this problem of economic interests with which we customarily meet. They habitually comprise the relations between two sides, namely, current interests and long-term interests, and interests of a sector and interests of the whole. Only in simultaneously studying the two sides and proceeding further to examine the form of their mutual relations and their reciprocal role, that is to say, studying their dialectical relations of the unity of opposites, can we find the correct method of solving the problem. To isolatedly and one-sidedly at any time play up one side and overlook the other side can bring about losses. Certain contradictions may clearly be seen to be principal or secondary and leading or subsidiary, as, for example, the frequently mentioned big collective and small freedom, big centralization and small diversification, and planned economy as the principal and regulation by market mechanism as supplementary. Because of the great disparity in the status of the two parties of the contradiction and objectively because of the actual conditions of one party commanding great attention and the other being lightly regarded and one party being primary and the other supplementary, it is very easy to lay great stress on the one and to neglect the other. Under such conditions, it is all the more important to grasp the unity of opposites between the two parties and to grasp the dialectical relations of their opposing each other yet also complementing each other, and guard against holding one party in "absolute esteem."

One important reason for our frustrations in past economic construction work was the failure to grasp the dialectical relations of the unity of opposites between the two parties of the contradiction. Particularly concerning the two parties of the unity of opposites which were clearly primary or secondary and leading or subordinate, we frequently overemphasized the former and lightly regarded the latter and even attended to one but neglected the other. Moreover, a fixed viewpoint was formed more or less to the following effect: that to stress the side that was primary and dominant was revolutionary and to attend to the side that was secondary and subordinate was conservative. This readily gave rise to one-sidedness and absolutism. It possibly explains why our economic work has been for a long time unable to shake off the "leftist" errors. Naturally, as we are today rectifying this trend, we must also guard against going to the other extreme. We must not reverse the position of being the primary or the secondary or even go so far as to push or promote the secondary and the subordinate side to becoming "absolute." For example, on the question of planned economy being primary and regulation by market mechanism being secondary, formerly there was the trend to one-sidedly stress the former and neglect the latter. However, in recent years, following the rectification of this trend, some localities and enterprise units proceeded to the other extreme: they disobeyed the state plan and permitted regulation by market mechanism to lash out at the planned economy. Acting in this way can similarly cause losses to the socialist economy.

The second point is that in economic work we must concretely study the unity of opposites in contradictions of various sorts, so that each of the two parties of a contradiction can occupy its objectively proper position. Also, we must make quantitative stipulations so that each occupies a position that is in proper proportion and with the appropriate relations.

In the past, we used to clearly specify the relations of the unity of opposites of certain contradictions in the economic sector. For example, take such sayings as "agriculture as the foundation and industry as the leading factor," "large collective and small freedom," "the state market is the principal body and the free market is supplementary," and so on. They themselves already denote the position occupied by each of the opposed parties. However, facts have shown that regulation in principle is not sufficient. The actual context must be concretely demonstrated through the adoption of concrete policies and measures of control and, furthermore, by definite quantitative measures, since only in this way can the proportions become really fitting and the relations proper and appropriate. For example, Comrade Chen Yun pointed out that in the gross volume of the retail sales of commodities in the country, even though the free circulation portion makes up slightly more than a quarter of the whole, price stability can still be maintained and ensured provided the planned circulation portion makes up nearly three-quarters of the whole. This, in point, has reference to a quantitative limit. At present, in our cities and towns, individual operations are allowed to employ one or two assistants, and those units with special skills are entitled to take on not more than five apprentices. This is another illustration of laying down a definite quantitative limit. Bound by quantitative limitations, individual operations can only exist as a supplement to the socialist economy. Turning now to the relations between accumulation and consumption, in what ways can these relations be exactly appropriate? This will require a careful study of the quantitative limitations. According to experiences gained through the years, an accumulation rate of around 25 percent is fairly appropriate. If it exceeds 30 percent, then there will be an imbalance in the proportionate relations. Since socioeconomic life is in a continuous process of movement, the position of the two parties of a contradiction and the quantitative limitations do not remain static. In order to make subjectivism fit in with objectivism, it is necessary to continuously carry on investigation and research and follow up with the development of a realistic economic life.

In general, to do our economic work well we must be adept in the use of this scientific ideological method of materialist dialectics to ponder economic problems. Thus we must first of all earnestly engage in research work. Marx' "Das Kapital" is a masterpiece full of materialist dialectics. After reading Marx' "Critique of Political Economy" and "Das Kapital," a writer wrote to Marx thus: "From the lines and words of your writings, I am fully aware that the logical premise of your superb economics is likewise a superb type of philosophy." ("The Worker-Philosopher Joseph Dichken," p 97) Comrade Mao Zedong's treatist "On the 10 Big Relationships" and Comrade Chen Yun's economic writings are all packed with materialist dialectics and are well worth studying repeatedly. Next, we must link together realities and sum up experiences. We have abundant positive and successful experiences but, on the reverse side, we have many painful experiences of setbacks and defeats. Both of these are lively materials for the study and use of materialist dialectics. In addition, the experiences in economic management in foreign countries also embody many factors of dialectics and from them we can learn many useful lessons.

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ARE CAPITAL CONSTRUCTION AND EXPANDED REPRODUCTION ONE AND THE SAME THING?

Beijing RED FLAG in Chinese No 11, 1 Jun 82 pp 46-47

[Article by Li Mengbai [2621 1125 4101]]

[Text] The concept of capital construction was first mentioned in Stalin's report "On the Economic Condition of the Soviet Union and the Party's Policies." Generally, it is used to describe the process of the formation of fixed assets. Newly established production departments must carry out capital construction for the formation of new fixed assets. For example, old China did not have an aviation industry, but since the founding of the PRC we have established a new aviation industry. The production equipment and facilities it possesses have been formed via the capital construction process. As for production departments that have already been established, if they wish to continuously enlarge the scale of their fixed assets so as to increase their production capacity, they will have to go through capital construction to realize this objective. In order to make a rational distribution of productive force on a nationwide scale and also to carry out construction of the cities and towns and communications, it is also necessary to rationally assign various kinds of fixed assets to the various localities and the relevant departments. All this is brought about by means of capital construction. Capital construction is a type of comprehensive economic activity which is spread through the various material production departments and the nonmaterial production departments.

Although capital construction plays an important role in social expanded reproduction, it is not one and the same thing as social expanded reproduction.

First, capital construction constitutes an important means for the realization of expanded reproduction but is not the only and sole means. While capital construction is for the purpose of serving social expanded reproduction, the expansion of the scope of social production does not depend entirely on capital construction for realization. In his analysis of the road of expanded reproduction, Marx said: "The yearly expansion of production comes from two sources: First, a continuous increase in the input of capital into production; and second, a continuous improvement in the utilization efficiency of capital." ("Selected Works of Marx and Engels," Vol 26, p 598) He further pointed out that expanded reproduction was in two forms: "In the event of an expansion of the production premises, then it is expanded reproduction by extension; in the event of improvement in the efficiency of the means of production, then it is expanded reproduction by intension." ("Selected Works of Marx and Engels," Vol 24, p 192) Expanded reproduction by extension has the special feature of the expansion of the production premises and is shown in the building of a new plant outside the original plant or expansion of the original plant. Hence, expanded reproduction by extension is realized by means of capital construction, while expanded reproduction by intension is not necessarily accompanied by capital construction. This is because of two possible conditions: In the event of improving the quality of the machines, speeding up the operations, improving the labor organization, effecting economy in raw materials, and so on, then capital construction is not needed; in the event of improving the handicraft or production technique, raising the degree of automation, expanding the production line, and so on, then this will need an appropriate scale of construction and the installation of new equipment. As for capital construction, we should let it display its role in full both in expanded reproduction by extension and in expanded reproduction by intension. Over the past years it was customary that whenever production development was contemplated, fervent efforts would be made to undertake capital construction of the extension type and the measures of the technical restructuring of the enterprise units and improving the operation and management were neglected. This could hardly achieve the best returns on investment. We should firmly remember lessons of this kind.

Second, capital construction serves not only expanded reproduction but also simple reproduction. For a long period of time, under the influence of the one-sided belief that capital construction and expanded reproduction are one and the same thing, arrangements for the simple reproduction items have been frequently overlooked in capital construction. This is not in conformity with Marx' theory on reproduction. In discussing the relations between simple reproduction and expanded reproduction, Marx pointed out: "Simple reproduction is part of the yearly reproduction on an expanded scale and in fact constitutes its most important part." "The material basis for expanded reproduction is derived from the internal production of simple reproduction." (Ibid., pp 457, 560) All along simple reproduction has been an important constituent part and the basis of expanded reproduction. Moreover, viewed from the actual conditions of social production development, following the continuous increase in the base figure of production, the proportion occupied by simple reproduction in the expanded reproduction each year has grown continuously. Hence, despite the fact that capital construction is intended mainly to serve expanded reproduction, it must also serve simple reproduction. Take, for example, the case of coal production. In a given period, certain old pits are bound to be abandoned. Prior to these old pits being reported abandoned, new pits must be built in time to replenish the gradually diminishing production capacity. Since the building of new pits necessarily calls for a sizable amount of construction and installation work and may indeed involve a rather lengthy construction period, undoubtedly such new building work comes under the category of capital construction. Yet it serves simple reproduction. A similar state of affairs is found in production construction of the petroleum industry.

Similarly, when natural disasters like earthquakes and floods ransack fixed assets including plants, mines, bridges, houses and the relevant machinery and equipment, all of which must be repaired, rebuilt or repurchased, the necessary recovery and construction work also constitute capital construction and they first of all serve simple reproduction. Hence, in capital construction, we should never overlook the construction projects necessary for the maintenance of simple reproduction.

Third, capital construction serves not only the development of production but also the improvement of the people's standard of living. Concurrently with handling such production measures as the building of plants, mines, oilfields and electric power generating units, capital construction likewise engages in the building of houses and the public utilities that go with them as well as such nonproduction items as parks, theaters, hospitals and libraries. All of the above serve the purposes of improving the material and cultural life of the people. Marx' theory of reproduction tells us that the social reproduction process encompasses not only production but also consumption. It includes not only consumption for production but also for the individual's daily needs. Social reproduction cannot progress smoothly if it is concerned with production only and not with consumption. Capital construction is a category of economic activity which provides all production departments and nonproduction departments with fixed assets and serves both the development of production and improvement of the people's standard of living. In the past, under the influence of "leftist" thought, frequently production was heavily stressed while living was lightly regarded and capital construction was taken as a means to serve the development of production only. This was the cause of the imbalance between "bones" and "meat" and the fact that for a prolonged period of time, particularly with regard to the housing problem, the people's standard of living could not be improved. Since the 3d Plenary Session of the 11th CCP Central Committee, this situation has undergone a great change. With regard to capital construction, we should sum up our past experiences, follow Marx' theory on reproduction as the basis and in conjunction with the actual national conditions of our country, comprehensively arrange for production construction and for the people's life and in this way promote the all-round development of the four modernizations.

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CAN ROBOTS PRODUCE SURPLUS VALUE?

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[Article by Tan Huazhe [6223 5478 6568]]

[Text] The robot is developed on the technical basis of the manipulator and the operating machine after having absorbed certain of the latest scientific and technological achievements. It is a new form of automatic device fitted with various types of machines, precision instruments and automatic computers and can do various jobs independently and automatically like a human being. The robots now in use in industry can do only simple and repetitive tasks. Certain countries are currently experimenting with the making of a new generation of robots which not only possess the power of mankind to see, feel, hear, write, compute and distinguish between tools and charts, but also can walk around at the plant site. Although robots are more complicated than ordinary machines, and are of a much higher grade, yet after all they are not human beings but mere machines. Hence, in the hands of the capitalists, they belong to the category of fixed capital like other means of production. In the production process all they can do is to transfer the original value to new products. They cannot create new value or increase value. The extensive use of various kinds of advanced technology and robots will greatly raise social labor productivity, achieve savings in man's labor input and reduce the required social labor time in the production of commodities. In turn, this will lower the cost of the commodities.

People may ask: With the capitalists using robots and the rise in labor productivity, there is a great reduction in employment. Under such conditions, where does the large amount of surplus value reaped by the capitalists come from? We say that this still comes from the labor of the hireling workers.

First, under the capitalist system the phenomenon of machines squeezing out workers has long been in existence. The appearance of the robot further intensifies this contradiction. In certain departments and enterprise units, the increasing use of robots has caused a relative diminution in the number of workers, sometimes very extensive. However, robots cannot completely replace the work of human beings. On the one hand, robots are created and invented by human beings. The study and making of robots, and continuously improving them to the stage, or near the stage, of perfection require in themselves the input of a large amount of human labor. For example, in the study and research work on the making of robots, the Hitachi Electronics Company of Japan alone employed over 500 scientists and engineers, not counting a large number of trained workers and management personnel. On the other hand, no matter how advanced the robots have become, in the production process they require human labor for their control, management and maintenance. Even though some day it will be possible to concentrate workers, technicians and management personnel into a main force to form a technological service center, this will represent a change in organization and structure and will not alter the substance of things. Some people connive at the idea of setting up a "factory without workers," but in reality human beings cannot be dispensed with. Separated from human beings and separated from the technical service center, the factory will be paralyzed and the robots will become a pile of useless materials. Thus, capitalists must continue to hire people and the surplus value reaped by the capitalists can only have its source in the labor of the hired laborers.

Second, under the conditions of socialized mass production, the definition of production personnel comprises a large number of engineering and technical personnel, scientific and research workers directly related to production, and workers of the production command and of the control and management system. Their labor is all production labor. Marx put it very clearly: "Following the development of the nature of coordination in the labor process, the concept of production labor and of production workers will necessarily be expanded. Taking part in production labor now does not necessitate doing the work itself. Rather, being a part of the composite picture of workers and performing one relevant function only will be amply sufficient." ("Collected Works of Marx and Engels," Vol 23, p 556) The various categories of personnel mentioned above all constitute what Marx described as the expanded "production workers." Their labor input similarly creates value and surplus value. Following a steady advance of science and technology, the proportion of manual laborers in the ranks of laborers has been steadily falling, while the proportion occupied by mental laborers has been steadily increasing. Foreign statistical data show that under the condition of a low degree of mechanization, the ratio between manual laborers and mental laborers is 9 to 1, while under the condition of a medium degree of mechanization the ratio is 6 to 4 and under the condition of full automation the ratio becomes 1 to 9. Therefore, despite the progress of automation and the use of robots and the decrease in the number of ordinary workers in certain departments or enterprise units, the number of their personnel engaged in complex labor work such as the scientists, engineers and technicians is increased. As we all know, within the same given period of time, complex labor creates much more value than simple labor. In this way, in spite of a sizable decrease in the personnel employed by the capitalists, they still manage to reap a large amount of surplus value.

Lastly, under the conditions of the use of robots still not being commonplace, those enterprises making use of robots can reap much larger profits than the ordinary enterprises. This is because of the higher labor productivity, lower labor input, shorter time taken in production than time required by society, and lastly the sale of their commodities at the prevailing market prices. A portion or a great portion of the surplus profits of the enterprises is transferred from the surplus value created by workers of other enterprises. Robots do not constitute the source of income but the material conditions enabling these enterprises to gain larger income. Thus, that the use of robots can reap large surplus value does not mean that robots can create value and surplus value. Rather, both value and surplus value are created by the labor of hired workers. The progress in science and technology and the use of robots have by no means changed the basic reasoning of Marx' theory on the value of labor and his theory on surplus value.

CSO: 4004/38

SEVERAL PRACTICES IN INTENSIVE FARMING

Beijing RED FLAG in Chinese No 11, 1 Jun 82 inside back cover

[Article by Wen Jianhu [2429 0256 5706]]

[Text] Intensive farming means putting a fairly large quantity of means of production and labor force into a certain area of land with the application of science and technology so as to achieve high and stable yields per unit area.

China has a huge population but little arable land. With its present relatively weak economic strength, it is rather difficult for our country to put immense funds and huge amounts of energy into the total mechanization of agriculture and into efforts to promote the extensive use of chemical fertilizers and other farm chemicals in agriculture. However, we can take advantage of our strong point of having available an abundance of labor and carry forward the tradition of intensive and meticulous farming, use more labor and apply more fertilizer to the fairly limited cultivable land, and try hard to increase the yield per unit area so as to boost total output and make production costs lower and lower.

Some communes and brigades and specialized households in Hunan Province started developing intensive farming in the main according to the following procedures:

1. Practicing intensive cultivation and multicropping with both early and late maturing crops and raising the utilization rate of land. Apart from continuous cropping and cultivation, in light of the principle of crop-plant symbiosis, they adopted intercropping, interplanting and mixed sowing, ingeniously mated long-stalked crops with short-stalked ones, vine crops with root-tuber ones, grain crops with leguminous ones, crops which demand light with those that grow in the shade and early-maturing crops with late-maturing ones and turned plane planting to three-dimensional planting. In addition, they paid attention to rotation of paddy and nonirrigated-farmland crops and of crops and green manure so that the more the land was farmed, the richer its soil would become. In recent years, the Pitai production team of You County, the Xiadafang production team of Liling County and the Shengli production team of Liuyang County adopted these methods with the result that the per mu yield of paddy topped 2,000 jin and the per mu yield of paddy in specific years reached 2,300 to 2,400 jin.

2. Adopting intensive rearing and fully utilizing pens and barns and water surfaces. In recent years, some localities have built double-deck pig houses and multideck batteries and rabbit cages and put space to full use. For instance, Huang Jianbai, a commune member of Shahe production brigade of Jinhuahu commune in Yiyang municipality, raised 56 pigs in 5.2 square meters of pigsties in 1981. With close breeding, there was little room for pigs to move about, thus reducing their consumption of calories. A pig would eat only 1 jin of concentrated feed and 3 jin of coarse fodder per day but would produce 1 to 1.2 jin of pork. In the whole year, the whole family only spent 0.8 of a labor force [as published] to raise pigs and sold a total of 4,327 jin of pork to the state. Zhuzhou fish farm is another example. In the last few years, it has imported advanced technology and bred fish in net cages on a trial basis. The total output of fish came to 40,000 or 50,000 jin per mu, which was equal to about 100 mu of water surface for conventional fish breeding. There are still some localities which breed fish and soft-shelled turtles or fish and pearls in a mixed way. This method has brought them high per unit area yield, high output value and big results. The average income per mu has been from 5,000 to 6,000 yuan.

3. Developing a diversified economy, ensuring overall development and tapping the potential of natural and labor resources. Xihu commune of Hengyang municipality practiced a three-in-one operation combining vegetable growing, pig raising and fish breeding. Pigs were fed with vegetable roots and leaves; ponds were fertilized with pig dung; and vegetables were grown with pond silt. As a result, a benign cycle of more vegetables, more pigs and more fish has gradually taken shape. Over the past few years, some communes and their subdivisions and specialized households have first used green manure as fodder to feed pigs, gone on to make methane with pig dung and weed, and then applied methane fertilizer to the farmland rather than directly applying green manure, thus obtaining fairly satisfactory economic results. Xie Wankun of the Zhongzhou production team of Jiashui production brigade of Guankou commune in Liuyang County fed chickens with concentrated feed, fed pigs with the fermented feed made of chicken dung and grit, further used pig dung to raise earthworms and then fed chickens with earthworms. In 1981, he and his wife used 5 rooms in their house to raise 180 setters and 2,200 broilers and sold 12,531 fresh eggs and 1,500 broilers to the state. They earned an annual income of 8,663 yuan or a net income of 2,250 yuan after deducting expenses.

4. Building small-sized agricultural engineering facilities to gradually convert some agricultural production links into factories [gongchanghua 1562 1681 0553]. In recent years, a few communes and brigades, farms and centers and specialized households which have conditions have begun to build small hothouses, plastic sheds, chicken-raising factories and fish-breeding factories and so on, and simulated the natural conditions to create suitable conditions so that agricultural production can be free from the restrictions of seasons and regions. In its small hothouses and plastic sheds, the Dongtundu commune in Changsha adopted the method of multicrop interplanting and high-density cultivation to grow vegetables, thus prolonging the growth period on the one hand and putting space to full use on the other. At least

20 jin of mushrooms were gathered every quarter on every square meter. The per mu income from vegetables, of which most were high-yield varieties, was more than 2,000 yuan.

5. Integrating traditional skills with modern science and manual labor with mechanized operations. For instance, in paddy production, some localities crossed long-stalked varieties with short-stalked ones, practiced rational close planting, coupled scientific application of fertilizer with meticulous management and timely prevention and control of plant diseases and elimination of pests, thus achieving stable and high yields. In fish farming, some localities bred large species of fingerlings, rationally applied fertilizer and threw in bait, did a good job in the prevention and cure of fish diseases, captured and seeded the fries in rotation in good time and installed pressurized-oxygen machines to increase the supply of oxygen and boost the fish yield per unit of water surface area by a big margin, and so on.

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China Report

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CHINA REPORT

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CONTENTS

Our Party's Basic Policy on Religious Questions During the Period of Socialism (pp 2-8, 19)
(RED FLAG Editorial Department) 1

Consolidate and Strengthen the People's Democratic Dictatorship (pp 9-12)
(Yang Yifan) 14

Strengthen the Building of Political Power in Grassroots Units (pp 13-15)
(Zhang Qingfu) 21

Select and Appoint Persons of Ability (pp 16-19)
(Yang Fengchun) 27

Investigation on Liuzhuang (pp 20-25)
(Joint investigation team comprising members of the Henan Provincial CCP Committee, Xinxiang Prefectural CCP Committee and Xinxiang County CCP Committee) 33

Emancipation of Philosophy and Study of Philosophy (pp 26-29)
(Liang Zhao, Tan Sizhe) 44

Shout Aloud for the Work of Gathering Materials—Foreword to the Book 'Disputed Problems in Socialist Economic Theory' (pp 30-31)
(Mao Zhongyang) 50

Dimitrov and the Chinese Revolution (pp 32-35)
(Ma Xipu) 53

Carry Out Systematic Theoretical Education To Raise Cadres' Political Quality (pp 36-39)
(Commentator) 60

At Present, We Should Expand Reproduction With Emphasis on Intension (pp 38-40)
(Lu Congming) 64

Why Does the Price of a Commodity Rise Even When Its Value Decreases? (pp 41-42)
(Wei Xinghua) 68

Is the Socialist Economy a Planned Economy or a Commodity Economy? (p 43)
(Mao Gang) 72

Recommending 'Popular Philosophy' (inside back cover)
(Sha Ying) 74

OUR PARTY'S BASIC POLICY ON RELIGIOUS QUESTIONS DURING THE PERIOD OF SOCIALISM

Beijing RED FLAG in Chinese No 12, 16 Jun 82 pp 2-8, 19

[Article by RED FLAG Editorial Department]

[Text] Summary: Freedom of religious belief is our party's basic policy on religious questions during the period of socialism. This article analyzes the history and the present situation of religion in our country according to the Marxist basic viewpoints on religious questions, points out the reasons why under socialist conditions religion inevitably will exist for a long time, reviews the positive and negative experience of the party's religious work since the founding of the PRC and stresses the great significance of thoroughly and correctly implementing the party's policy on religion. In carrying out our work related to religion at present, we should primarily combat the "leftist" erroneous tendencies and at the same time, we should also pay attention to preventing and overcoming the erroneous laissez-faire tendency. The article also expounds on the party's principles and policies concerning all aspects of the party's work related to religion, including winning over, uniting and educating the people of religious circles, training and educating the younger generation of patriotic professional religious workers, giving full play to the role of the patriotic religious organizations, cracking down on illegal and criminal activities and counter-revolutionary sabotage activities under the cover of religion, developing friendly international exchanges related to religion and resisting the penetration of hostile religious influence from abroad. The article concludes by pointing out that strengthening the party's leadership is the basic guarantee for doing a good job in religious work. Party organizations at all levels must unite their thinking, understanding and policy on religious questions and conscientiously carry out this work satisfactorily.

Article 35 of the "Draft of the Revised Constitution of the PRC" provides: "Citizens of the People's Republic of China enjoy freedom of religious belief. No organs of state, public organizations or individuals shall compel citizens to believe in religion or disbelieve in religion, nor shall they discriminate against citizens who believe, or do not believe, in religions. The state protects legitimate religious activities. No one may use religion to carry out counterrevolutionary activities or activities that disrupt public order, harm the health of citizens or obstruct the educational system of the state. No religious affairs may be dominated by any foreign country." The whole content of this provision is our party's basic policy on religious questions during the socialist period. We communists are atheists and Marxism always holds that religion is the opiate of the people. Why, then, should our party implement a policy of allowing freedom of religious belief?

Social and Historical Factors That Have Given Rise to Religion and Enable It To Exist

Ours is a country with many kinds of religions. In our country, Buddhism has a history of about 2,000 years, Taoism has a history of more than 1,700 years, Islamism has a history of more than 1,300 years and Catholicism and Christianity have to a relatively great extent developed since the Opium War.

Among our people, especially the Han people, who constitute the majority of the country's population, the number of those who believe in religion is not great, but there are more than a dozen minority nationalities in which all the people believe in religion. Compared with the initial period after liberation, due to the increase in the minority nationality components of our population, the number of the masses of people who believe in religion has increased. However, their proportion to the whole population of the country has decreased.

During the prolonged period of the feudal society and the over a century-long period of the semifeudal and semicolonial society in our country, generally speaking, all the religions in our country were controlled and exploited by the ruling class and made to play a major negative role. The feudal landlord class, the class of feudal lords, the warlords and the bureaucratic bourgeoisie at home mainly controlled Buddhism, Taoism and Islamism, while the foreign colonialist and imperialist forces that came later primarily controlled Catholic and Christian churches.

Since the founding of our country, religions in our country have undergone a radical change because of the profound social reform and the reform of the religious systems that we have carried out. Generally speaking, the contradictions on religious questions have already been turned into the contradictions among the working people. However, we should realize that religious questions will exist for a long time to come in a certain respect, will involve a certain section of the masses and will involve nationality problems in many aspects. Furthermore, certain aspects of the class struggle and certain complex international factors will also have a bearing on these questions. Therefore, whether we handle religious questions properly is still of such great significance that it cannot be neglected for our state's stability and national unity, for the development of international exchanges and the resistance of the penetration of hostile foreign influences and for the construction of socialist material and spiritual civilizations. It is precisely for this reason that during the socialist period, we should adopt a "very prudent," "very serious" and "carefully thoughtful" attitude--as was pointed out by Lenin--toward religious questions.

We are Marxists and we understand the social and historical factors in human life that have given rise to religion. Religion is an inevitable phenomenon at a certain stage of human history. This phenomenon has to undergo the stages of emergence, development and withering away. Religious belief and religious feeling along with religious ceremonies and organizations are all a historical outcome of society. In a society of class antagonism, the most profound social factor that gives rise to religion and enables it to develop lies in people's apprehension of the tremendous pressure of the system of exploitation, in the poverty and ignorance which people cannot free themselves from because of the control of an alien force and in the needs of the exploiting class to use religion as a narcotic and an important spiritual means to control the masses of the people.

Under socialist conditions, along with the elimination of the system of exploitation and the elimination of the exploiting class, the class factor that has given rise to the existence of religion has already been basically eliminated. However, because the development of people's ideology always falls behind social existence, the old ideology and habits left by the old society cannot be thoroughly eliminated in a short period of time. Moreover, because a prolonged struggle is necessary to greatly raise the social productive force and highly develop culture, science and technology, it is impossible to completely eliminate in a short time the various sufferings resulting from the shortage of material wealth and the uncontrollable natural disasters and manmade calamities. At the same time, there still exists to a certain extent the class struggle and a complicated international environment. All these factors determine that it is inevitable that religion will exist and have an impact on some people for a long time in a socialist society.

All the comrades in our party should adequately and soberly understand that under socialist conditions religious questions are prolonged in nature. It is unrealistic to think that religion will soon wither away after the socialist system has been established and the economy and culture has developed to a certain extent. The idea and practice that treats religion as something we can eliminate once and for all by administrative orders or even by means of force, runs counter to the Marxist basic viewpoints on religious questions and is completely wrong and very harmful.

Correctly Sum Up Historical Experiences, Prevent the Erroneous Laissez-faire Tendency and Oppose the Erroneous "Leftist" Tendency

Since the founding of the PRC, there have been twists and turns in our party's religious work.

During the 17 years from the founding of new China to the beginning of the "Great Cultural Revolution," despite a few major mistakes, generally speaking, we did much work related to religion and achieved great results under the guidance of the correct principles and policies of the CCP Central Committee. We eliminated the imperialist influence in our churches, implemented the correct policy of running the churches independently and the policy of "three selves" (preaching by ourselves, running the church by ourselves and supporting the church by ourselves), thus we succeeded in changing Catholicism and Christianity from being tools for aggression by the imperialists into an independent religious undertaking of Chinese believers. We abolished the feudal privileges of religion and the oppressive and exploitative system of religion and exposed and cracked down on the counterrevolutionaries and evildoers working under the cover of religion, thus freeing Buddhism, Taoism and Islamism from the control and exploitation of the reactionary classes. We carried out the policy of freedom of religious belief and enabled the broad masses of religious believers to begin to enjoy the right of freedom of religious belief as well as political and economical emancipation along with people all over the country. We carried out the policy of winning over, uniting and educating the personalities in religious circles and succeeded in uniting many patriotic persons. Furthermore, we supported and assisted the religious circles in developing friendly activities throughout the world, which played a positive role. All these tremendous achievements have been universally acknowledged.

However, after 1957, the "leftist" mistakes in our religious work began to aggravate and by the middle of the 1960's became more serious. They became especially serious during the "Great Cultural Revolution" because the Lin Biao and Jiang Qing counterrevolutionary cliques willfully exploited these "leftist" mistakes and took them to the extreme. They recklessly trampled on the scientific theory of Mao Zedong Thought on religious questions, completely negated the party's correct policies on religious work that had been formulated since the founding of the PRC and entirely abolished the party's religious work. They wrecked the religious organizations and the ranks of activists of the religious circles that loved the country and supported socialism and even forcefully banned the normal religious life of the masses of religious believers and destroyed and closed down all places of religious activities. They regarded patriots in religious circles and even ordinary religious believers as "objects of dictatorship," and framed up many wrong, false and misjudged cases. Moreover, they treated the customs and habits of some minority nationalities as religious and superstitious and forcefully banned these customs and habits, thus impairing national unity. They used violence in solving religious problems. They provided extremely favorable conditions for a few counterrevolutionaries and evildoers to carry out illegal and criminal activities and counterrevolutionary sabotage activities in a big way under the cover of carrying out religious activities.

Since the smashing of the Jiang Qing counterrevolutionary clique and especially since the 3d Plenary Session of the 11th CCP Central Committee, the party's correct principles and policies related to religious work have gradually been restored. We have done much work and achieved remarkable results in implementing our religious policies, opening up temples, churches and other places of religious activities, restoring the activities of patriotic religious organizations, winning over, uniting and educating the masses of religious believers and the personalities of religious circles, developing the friendly international activities of religious circles and resisting the penetration of hostile foreign religious influence. During the new historical period, our party's basic task toward religious work is to resolutely implement the policy of freedom of religious belief, consolidate and expand the patriotic political union of religious circles of all nationalities, strengthen their education in patriotism and socialism, give play to their positive factors and mobilize them to strive along with us to build a powerful socialist motherland, realize the great goal of the reunification of the motherland with Taiwan, oppose hegemonism and safeguard peace.

Of course, in comprehensively and correctly implementing the party's policies on religion, we will encounter much resistance and many difficulties, including the interference and sabotage of "leftism" and "rightism." At present, we should primarily oppose the erroneous "leftist" tendency and at the same time, pay attention to preventing and overcoming the erroneous laissez-faire tendency. However, it is beyond any doubt that so long as all the comrades in our party, especially the party's leading organs and leading cadres at all levels, are adept at summing up and conscientiously learn the positive and negative historical experiences in the party's religious work since the founding of the PRC, so long as we further understand and master the objective law governing the emergence, development and withering away of religion, and so long as we steadfastly follow the scientific line of Marxism-Leninism-Mao Zedong Thought in carrying out the party's religious work, we will certainly be able to overcome all difficulties and resistance and fulfill this major task satisfactorily.

Respecting and Protecting Freedom of Religious Belief Is Our Party's Basic Policy on Religious Questions During the Period of Socialism

By freedom of religious belief, we mean that every citizen enjoys the freedom to believe, or not believe, in religion, the freedom to choose any religion, the freedom to believe any faction in a religion, the freedom to convert oneself from a nonbeliever to a believer or from a believer to a nonbeliever in religion. Respecting and protecting freedom of religious belief is a long-term policy of our party and is a basic policy that we should always adhere to until the natural withering away of religion.

True, we communists are atheists and we advocate and will propagate atheism among the masses of the people. However, we, at the same time, understand that it is not only ineffective but also very harmful to use simple and forceful methods to handle the ideological problems of the people and problems concerning the spiritual world of the people, especially the problems of religious belief. We also understand that in the present stage, if we one-sidedly stress the disparity of ideological awareness between religious believers and nonbelievers among the masses of the people, regard this relatively secondary disparity as being of primary importance, discriminate against and attack the religious believers among the masses of the people, neglect and even deny the identity in the basic political and economic interests of the religious believers and the nonbelievers and forget that the party's basic task is to unite all the people (including the broad masses of believers and nonbelievers of religion) to jointly strive for the construction of a modern powerful socialist country, we will only widen the gap between the believers and nonbelievers among the masses of the people, stir up and aggravate religious fanaticism and seriously harm the socialist cause. Therefore, the policy of freedom of religious belief is the only correct religious policy that our party has formulated according to the theory of Marxism-Leninism and is a policy that really conforms to the interests of the people.

Naturally, we should also stress that we protect the people's freedom of refusing to believe in religion, while implementing this policy and stressing that we protect people's freedom of religious belief. These are two indispensable aspects of the same problem. Forcing people to believe in religion in any manner, like forcing people to refuse to believe in religion, is an infringement on the freedom of religious belief of other people and is, therefore, extremely wrong and can never be allowed. We must also stress that the essence of the policy of freedom of religious belief is to make the question of religious belief one of personal choice for a citizen and his private affair. It is precisely for this reason that we must adhere to the principle of separating religion from politics, judicature and education, and we must never allow religion to interfere in the administration of the state and the law or in school or social public education. It is precisely for this reason that we must never allow the practice of forcing youngsters below the age of 18 to be converted to some religion or to be sent to temples to be monks or to learn religious scriptures. It is also for this reason that we must never allow the abolished systems of feudal privilege of religion and religious exploitation and oppression to be restored. Furthermore, we must in no way allow anybody to use religion to oppose the party's leadership and the socialist system or to use religion to carry out propaganda against Marxism-Leninism-Mao Zedong Thought.

In short, uniting both the believers and the nonbelievers of religion among the masses to jointly strive for the construction of a modern powerful socialist country is the basic starting point and basic ground for us in carrying out the policy of freedom of religious belief and in carrying out all religious work. Any words or actions that are divorced from this basic starting point and basic ground are wrong and should be resolutely resisted and opposed by the whole party and all the people in our country.

Winning Over, Uniting and Educating the Personalities in the Religious Circles Is an Important Part of the Party's Religious Work

Although the personalities of the religious circles in our country, primarily the professional religious personalities, differ in their family backgrounds, life experiences, beliefs, political ideas and thoughts, generally speaking, most of them love our country, observe the law and support socialism. The number of counterrevolutionaries and evildoers who oppose the constitution and socialism or who even collude with foreigners is very small. Many of the personalities of the religious circles and primarily many of the professional religious personalities have not only close spiritual contacts with the masses of believers but also an important influence on their spiritual life which cannot be neglected. Moreover, in the form of carrying out their religious duties, they have been carrying out a large amount of work of social service and benefits. These include for example: Looking after temples, churches and religious cultural relics, farming, cultivating and protecting forests and carrying out religious academic research. Therefore, we must attach due importance to all the personalities of the religious circles and especially to various kinds of professional religious personalities. We must unite them, show concern for them and help them to make progress. We must steadfastly and patiently teach them to love our country, observe the law and support socialism, the cause of the reunification of the motherland and national unity. Among Catholic and Christian personalities, we should intensify the education in maintaining independence and running the church on their own. We must satisfactorily arrange the lives of the professional religious personalities and conscientiously implement relevant policies. This is especially so for the well-known personalities and intellectuals among them and we should even more vigorously speed up the implementation of the policies related to them and grant them proper remuneration. In regard to the wrong, false and misjudged cases that have involved personalities in the religious circles and the masses of religious believers and that have not yet been remedied, we should speed up the reexamination and reinvestigation of these cases and rehabilitate them in the manner of seeking truth from facts. We should fix a deadline for remedying these cases. We must pay attention to training, supporting and giving play to the positive role of the newly emerged representative personalities who love the motherland, obey the leadership of the party and the government, adhere to the socialist path, safeguard the reunification of the motherland and national unity, are accomplished in religious learning and can maintain contacts with the masses of religious believers. We must organize all personalities in the religious circles according to their different conditions and abilities to take part in the productive labor that they can do and in social service work, religious academic research, patriotic social and political activities and international friendly exchanges so as to give play to their positive factors and make them serve the cause of socialist modernization. We should not only continue to win over, unite and educate all the existing personalities of the religious circles, but should also help the various religious organizations to do a good job of establishing and managing religious colleges and training new professional religious personalities. Religious colleges should recruit students from those young people who are honest, patriotic, willing to go in for a religious profession and are educated to a certain degree. The task of the religious colleges is to vigorously train and form a rank of young professional religious workers who politically love the motherland and support the party's leadership and the socialist system and who are to a certain extent accomplished in religious learning and can maintain close contacts with the masses of believers. Combined with the existing patriotic and progressive elements in the religious circles, this rank of young patriotic professional religious workers will become the backbone force to ensure that the various religions in our country will develop their activities in a correct direction.

Our comrades must understand that though in terms of world outlook Marxism runs counter to any theism, in terms of political actions, Marxists definitely can and must form a united front with religious believers to jointly strive for socialist modernization. This united front should become a very important part of the broad patriotic united front that is led by the party during the period of socialism.

Give Full Play to the Role of the Patriotic Religious Organizations and Organize and Guide the Broad Masses of Religious Believers in Carrying Out Normal Religious Activities

Now there are eight national patriotic religious organizations, namely: the Chinese Buddhist Association, the Chinese Taoist Association, the Chinese Islamic Association, the Chinese Patriotic Catholic Association, the National Administrative Commission of the Chinese Catholic Church, the Chinese Catholic Bishops College, the Three Self Patriotic Movement Committee of Protestant Churches of China and the Christian Council of China. Besides, there are some social bodies of a religious nature and some local religious organizations. The basic task of the patriotic religious organizations at all levels is to assist the party and government in carrying out the policy of freedom of religious belief, to help the broad masses of religious believers and the personalities of the religious circles to continuously raise their patriotic and socialist awareness, to represent the legitimate rights and interests of religious believers, to organize and lead the masses of religious believers to carry out normal religious activities and to satisfactorily do all the work related to religion. All the patriotic religious organizations should obey the leadership of the party and the government. The cadres of the party and the government should be good at consulting and cooperating with the religious organizations and the religious personalities and support and help them to solve their own problems. They should not take on what ought to be done by these organizations and personalities. Only by so doing can we give full play to the initiative and proper role of the patriotic religious organizations. Only by so doing can we enable them to develop useful work on their own initiative within the scope of the constitution and the law, to become the religious organizations that exert a positive influence and to become the bridge for winning over, uniting and educating religious personalities and the masses of religious believers.

The problem facing us at present is that we must rationally arrange places for carrying out religious activities and provide for the material needs in order to ensure that religious activities can be carried out normally. All the normal religious activities that are carried out in the places for religious activities, such as worshipping Buddhas, chanting scriptures, burning incense, holding religious services, praying, explaining scriptures, preaching, holding masses, baptizing, granting full status to nuns and monks, giving last sacraments and celebrating religious festivals and all the customary religious activities that are usually carried out at home, such as practicing abstinence from meat and chanting requiems, should be managed by religious organizations and religious believers on their own. They are protected by law and thus no one is allowed to interfere in these activities. All the places of religious activities should be managed by religious organizations and professional religious personnel under the administrative leadership of the religious affairs department of the government. In principle, in carrying out all religious activities, we should avoid hampering social, production or work order. No one is allowed to propagate atheism at religious places or stir up debates about the existence of the gods among the masses of religious believers. However, in places other than religious places, no religious organizations or believers should preach, propagate theism or distribute religious pamphlets or religious books, permission for publication of which has not been granted by the responsible department of the government. We should take prudent care of the important temples and churches at well-known mountainous and scenic spots because they are not only places of religious activities, but also cultural facilities of significant historical and cultural value. We should take good care of the cultural relics in these temples and churches and maintain these temples and churches in good repair in order to turn them into clean, quiet and beautiful places for sight-seeing.

We should make a clear distinction between normal religious activities and the illegal and criminal activities under the cover of religion. The resolute protection of all normal religious activities itself, calls for the resolute cracking down on all illegal, criminal and counterrevolutionary sabotage activities under the cover of religion. We should severely punish according to the law the counterrevolutionaries and criminals who act under the cover of religion. Those professional religious workers who have been released from the prison and who continue to carry out sabotage activities should be punished as severely as possible according to the law. At the same time, we should make a clear distinction between normal religious activities and feudal superstitious activities. We should not allow those reactionary superstitious sects and secret societies and those sorcerers and sorceresses that we have banned to resume their activities. We should ban and severely punish all those who carry out superstitious activities to lure the people and defraud them of their money and property. We should even more severely punish the party members and party cadres who exploit these superstitious activities to make profits. We should realize that in cracking down on all illegal and criminal activities under the cover of religion and in banning all feudal superstitious activities we are precisely aiming at protecting normal religious activities. This is because only by so doing can we more satisfactorily win over, unite and educate the broad masses of religious believers and ensure that their religious activities can be carried out in a normal manner.

At present, along with the daily increase in our international exchanges, the external contacts of the religious circles will also develop in a daily increasing manner and play an important role in raising our country's political influence. However, at the same time, the reactionary religious forces in the world, especially the imperialist religious forces will also attempt to exploit religious exchanges to carry out penetration activities in order to "stage a return to China." Our policy should be resolutely resisting the penetration of any hostile foreign religious forces as well as vigorously developing the international friendly exchanges in the religious field. In carrying out international exchanges, our religious circles must adhere to the principle of maintaining our independence and running the churches by ourselves. They should resolutely combat the attempt by reactionary international religious forces to resume the control of our country's religion. They must resolutely reject the interference of any foreign churches or foreign religious personalities in the religious affairs of our country. They must never allow any foreign religious organizations (including the organs controlled by these organizations) to preach in any form in our country, or to smuggle religious propaganda materials into our country and distribute them in our country. We should maintain a high vigilance and a close lookout on the underground churches and other illegal organizations that the reactionary foreign religious forces have set up and will try to set up in our country in order to carry out espionage and sabotage activities in our country under the cover of religion. Whenever we find any, we should resolutely crack down on them.

Developing friendly external relations in the religious field on an independent basis is a new problem facing us. The key to doing this work well is to conscientiously do a good job of the religious work at home in accordance with the CCP Central Committee's correct principles and policies. Facts have proved that when we have done the religious work at home satisfactorily, there will be no or very few loopholes for hostile foreign religious forces to take advantage of and the international exchanges in the religious field will be able to healthily and smoothly develop and play their due role.

Strengthening the Party's Leadership Is the Basic Guarantee for Doing the Religious Work Satisfactorily

Religious work is an important part of the party's mass work and involves many fields. Therefore, our party organizations at all levels must unify their thinking, understanding and policies and must resolutely take this important task in their hands and steadfastly and conscientiously fulfill this task in a satisfactory manner.

We should emphatically point out that using a Marxist stand, viewpoints and methods to carry out scientific research on religious problems is an important part of the party's theoretical work. Criticizing idealism (including theism) by Marxist philosophy and educating the masses of the people, especially the broad masses of youngsters in the scientific world outlook (including atheism) is an important task of the party on the theoretical and propaganda front. Building up a contingent of religious theory research workers who are armed with the weapon of Marxism is an indispensable part of the construction of the party's theoretical ranks. While we encourage the academic circles to respect the ideology and beliefs of the religious circles, our religious circles should also respect the activities of research on and propaganda of Marxist religious theory by our academic circles.

By declaring and carrying out the policy of freedom of religious belief, our party does not mean that the party members are allowed to believe in religion as they please. The party's policy of freedom of religious belief is only for ordinary citizens and not for party members. A party member differs from an ordinary citizen and is the member of a Marxist political party. Therefore, he undoubtedly should be an atheist and should not be a theist. Our party has time and again clearly stipulated that CCP members are not allowed to believe in religion or to take part in religious activities and that if a CCP member clings to believing in religion and to taking part in religious activities and refuses to mend his ways, he should be persuaded to quit the party. This stipulation is entirely correct and taking the party as a whole, we should continue to resolutely carry out this stipulation in the future.

The problem now is that, among the people of the minority nationalities who nearly all believe in religion, we should adopt measures to implement this policy step by step in the light of the actual conditions and should not do this in a hurried way. We must see that there is still quite a large part of the CCP members among these minority nationalities who have been loyally carrying out the party's line, conscientiously working for the party and observing party discipline, but cannot completely be free from religious feelings. Regarding these comrades, the party organizations should not simply turn them out, but should, while giving full play to their political initiative, carry out patient and careful ideological work in order to gradually help them fix in their minds a Marxist world outlook and break away from the fetters of religious feelings. A small number of party members have acted in an extremely harmful manner by not only believing in religion, but also taking part in stirring up religious fanaticism, or even using religious fanaticism to oppose the four basic principles and the party's line, principles and policies. These people have already completely lost the basic stand of party members and, if after criticism and education they still refuse to correct their mistakes or feign willingness to but covertly refuse to correct their mistakes, they should be resolutely expelled from the party.

Among the minority nationalities, all the people of which believe in religion, the party members who live at that grassroots should not refuse to take part in the traditional wedding and funeral ceremonies and mass festive activities that are to some extent religious in nature, even if they have already abandoned their previous religious beliefs. For if they refuse, they will be divorced from the masses and become isolated. Although there is something of a religious nature and tradition in many traditional wedding and funeral ceremonies and mass festival activities, in essence, this religious nature and tradition has already become a component of the nationality's conventions and customs. Our comrades, especially the party members living at the grassroots, should not only thoroughly abandon religious beliefs in their minds, but should also respect and observe the conventions and customs of their nationality in their lives. It is inappropriate to confuse the conventions and customs of a nationality with religious activities without making an analysis. This will be unfavorable to correctly handling religious problems and to strengthening national unity.

All the comrades in our party should deeply understand that ours is a great socialist country with many nationalities. As nationalities and religions differ, so do the relationships between religions and the people of the nationalities. In regard to some minority nationalities, nearly all the people of a nationality believe in one religion, for example, Islam or Lamaism. For these nationalities, the religious problems often intertwine with nationality problems. However, this is not the case for the Han nationality, the people of which believe in Buddhism, Taoism, Catholicism or Christianity and the religious problems of the Han people are not related to nationality problems. Therefore, we must be good at making concrete analysis of the different conditions of various nationalities and different religions and at understanding the distinction and relationships between nationality and religious problems. Moreover, we must know how to handle these problems correctly. If our party cannot soberly and resolutely master these problems in leading China, a country with so many nationalities, in carrying out the magnificent struggle for socialist modernization, we will not be able to satisfactorily unite the people of all nationalities to jointly forge ahead.

All the comrades in our party must soberly understand that the party's current religious policy is by no means a make-shift policy. On the contrary, this policy is formulated on the scientific theoretical basis of Marxism-Leninism-Mao Zedong Thought and is a strategic stipulation that is aimed at uniting the people of all nationalities throughout the nation to jointly build up a powerful modern socialist country. Under the socialist conditions, the only correct way to solve the religious problem is that, under the premise of protecting the freedom of religious belief, we greatly develop the socialist economy, culture, science and technology and achieve great progress in developing socialist material and spiritual civilizations so as to gradually eliminate the social and cognitive sources that have given rise to religion and enables it to exist. Of course, it is impossible to achieve success in such a great cause in a short period of time nor in the time of one, two or three generations. This means that only after a very long historical period and only after the joint struggle of many generations of the masses of people including both believers and nonbelievers can we achieve this. Then, the Chinese people and the land of China will be thoroughly free from any poverty, ignorance and spiritual barrenness and the Chinese people will have created a bright world with highly developed material and spiritual civilizations and rank the foremost among human beings. At that time, most of the citizens in our country will be able to consciously adopt a scientific attitude toward the world and life will no longer need to look for spiritual sustenance in the illusory world of gods. That will be the times that Marx and Engels described as when all the social life is put under people's conscious and planned control and that Comrade Mao Zedong described as the times when people consciously reform themselves as well as the world. Only when we have entered these times will the various religious expressions of the actual world finally disappear. Our whole party should strive hard generation after generation in order to achieve this magnificent goal.

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CONSOLIDATE AND STRENGTHEN THE PEOPLE'S DEMOCRATIC DICTATORSHIP

Beijing RED FLAG in Chinese No 12, 16 Jun 82 pp 9-12

[Article by Yang Yifan [2799 0001 0416]]

[Text] Article 1 of the "Draft of the Revised PRC Constitution" stipulates: "The PRC is a socialist state of the people's democratic dictatorship led by the working class and based on the alliance of workers and peasants." This explains the nature, that is, the state system, of our country. State system refers to the class nature of the state, that is, the positions of all classes in the society. An instrument of class domination, a state is the dictatorship of a certain class. As an instrument with which the exploiters oppress the broad masses of laboring people, a state of the exploiting class is the dictatorship of the minority over the majority. Our state power is completely different in nature from all the states of the exploiting classes. It is the people's democratic dictatorship which practices democracy toward the broad masses of the laboring people and exercises dictatorship over a small number of enemies.

The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" approved at the 6th Plenary Session of the 11th CCP Central Committee specifically pointed out: "A fundamental task of the socialist revolution is to gradually establish a highly democratic socialist political system." The preamble of the draft of the revised constitution also regards the establishment of a high degree of democracy as an important component of the future tasks of the people of the whole country. A high degree of socialist democracy has two implications: one is the ruling position of the whole people in the state, or their position of being the masters of the country, and the other is a high degree of development of the democratic system. The first, which is also the most fundamental implication, is a state system of the people's democratic dictatorship as stipulated in the draft of the revised constitution.

Our people's democratic dictatorship is a form of the dictatorship of the proletariat. It has been explicitly pointed out in the preamble of the draft of the revised constitution that "the people's democratic dictatorship is the dictatorship of the proletariat." This is because: First, this dictatorship is led by the working class as well as its political party, the CCP, which is precisely the basic indication of the dictatorship of the proletariat. Second, this dictatorship undertakes the historical mission of the dictatorship of the proletariat. It will not only abolish all exploitive systems, the bourgeoisie and all other exploitive classes, but will also greatly develop social productive forces, improve and develop the socialist relations of production and the superstructure and, on this basis, gradually eliminate all class differences and all major social differences and social inequality brought about mainly by inadequate social productive forces, until the realization of communism. Third, this dictatorship is based on the alliance of workers and peasants, which is the basic principle of the dictatorship of the proletariat. Fourth, this dictatorship should not only suppress the sabotage activities of the extremely few internal enemies; it also has the function of guarding against subversion and possible aggression by external enemies. All of these, particularly the leadership of the proletariat and its political party and the historical mission undertaken by this dictatorship, determine that the people's democratic dictatorship of our country is in essence the dictatorship of the proletariat.

With respect to the class nature of our political power, there were two formulations in the constitutions previously promulgated. The 1954 constitution made it clear in the preamble that we "have founded the People's Republic of China of the people's democratic dictatorship." It was also stipulated in the general principle that our country is a people's democratic state led by the working class and based on the alliance of workers and peasants. The two constitutions promulgated later stipulated that our country is a state of the dictatorship of the proletariat. The present draft of the revised constitution for discussion among the people of the whole country has restored the formulation in the 1954 constitution. Since the two formulations are essentially the same, why is it necessary for the draft of the revised constitution to adopt the formulation of the people's democratic dictatorship?

This revision has not been made at will. It has been affirmed in the form of a fundamental law under the guidance of the basic principle of Marxist theory on the dictatorship of the proletariat in the light of the specific historical and national conditions in our country and with the aim of expressing more clearly and explicitly the nature, content and functions of our political power. After leading the revolutionary people in smashing the old state apparatus and seizing the state power, the proletariat became the ruling class and established the dictatorship of the proletariat. This is undoubtedly the fundamental and primary indication of the victory of the proletarian revolution. "The continued advancement of the revolutionary cause of the proletariat, i.e., development toward communism, proceeds through the dictatorship of the proletariat, and cannot do otherwise." ("Collected Works of Lenin," Vol 25, p 448) This is also a truth that has been repeatedly proved in history. However, due to different national conditions in various countries and the different revolutionary paths the proletariat and laboring people in various countries have taken in winning liberation, there are bound to be various different political forms by which to achieve the dictatorship of the proletariat. The form of the dictatorship of the proletariat a country adopts can only be determined in the light of the specific national conditions in each country and not according to a fixed, unchangeable pattern. The specific social and historical conditions in our country are greatly different from those in the relatively developed capitalist countries of Europe and America; they are also different from the conditions evident when Lenin and Stalin led the Soviet socialist revolution. The proletariat in our country launched proletarian revolution in a semicolonial and semifeudal country where the economy and culture were very backward; it has launched socialist revolution and the cause of socialist construction in a great country where the peasants make up the great majority of the people. It is precisely in the light of the specific social and historical conditions and the actual situation in our country and because of the following reasons that we have adopted the form of the people's democratic dictatorship as the dictatorship of the proletariat in our country.

First, the people's democratic dictatorship of our country is an objective historical fact which has been formed in the protracted revolutionary struggle and which has been accepted by the people of the whole country. The people's democratic dictatorship of our country has gone through the new democratic and the socialist periods. On the question of the Chinese revolution, our party and Comrade Mao Zedong, by integrating the universal principle of Marxism-Leninism with the concrete practice of the Chinese revolution, determined the strategic tasks of the new democratic revolution and socialist revolution in the course of the Chinese revolution, clearly pointed out the correct path for achieving the victory of the Chinese revolution and gradually formed the concept of the people's democratic dictatorship. During the war period Comrade Mao Zedong proposed that the new China should be a new type of political power of the people's democratic dictatorship led by the working class and based on the alliance of workers and peasants. On the eve of national liberation he again pointed out in his article "On the People's Democratic Dictatorship": "To sum up our experience and concentrate it into one point, it is: the people's democratic dictatorship under the leadership of the working class (through the Communist Party) and based upon the alliance of workers and peasants. This dictatorship must unite as one with the international revolutionary forces. This is our formula, our principal experience, our main program." ("Selected Works of Mao Zedong," Vol 4, p 1417) When new China was founded, our state power was organized precisely according to the principle of the people's democratic dictatorship. It was led by the working class, was based on the alliance of workers and peasants and recruited the petit bourgeoisie and national bourgeoisie as well as the representatives of other patriotic and democratic elements. We put the principle of the people's democratic dictatorship into the 1949 "Common Program" which served as a provisional constitution, and into the 1954 constitution. After the founding of new China, we entered the period of transformation from the new democratic revolution to the socialist revolution and we accomplished the transformation in 1956. By that time, the people's democratic dictatorship also became a state power of socialist character on the national scale. In the struggle to achieve this great transformation, the party and Comrade Mao Zedong further enriched and developed the concept of the people's democratic dictatorship. The national bourgeoisie in our country was different from the bureaucrat-capitalist class and the landlord class in that on the one hand it exploited the working class to gain profit and on the other hand it supported the constitution and was willing to accept socialist transformation. Therefore, the class struggle between the national bourgeoisie and the working class generally came within class struggle among the people. For this reason, during the transition period, we closely relied on the broad masses of workers and peasants, correctly handled the contradictions between the working class and the national bourgeoisie, victoriously accomplished socialist transformation of the private ownership of the means of production by peaceful means and abolished the system of exploitation of man by man. Either before or after socialist transformation, our state power was organized according to the principle of the people's democratic dictatorship. As a matter of fact, this situation has been prevailing in the normal conditions of our state life since our country entered the period of full-scale socialist construction. All this has convincingly proved that the form of the people's democratic dictatorship is suitable to our country not only during the new democratic period but also during the socialist period.

Second, the adoption of the form of the people's democratic dictatorship for our state power is suited to the class and national conditions of our country in the present period and is necessary for exercising the leadership of the working class over state life. Ours is a country where the peasants make up the great majority of the people. Since the founding of the PRC, the ranks of the working class have grown rapidly, but they still account for a very small percentage of the whole population. Without the peasants and other laboring people, it is impossible for the working class to exercise a strong rule of the majority over the minority and it is impossible to firmly maintain the leadership of the working class over state life. Lenin said: "The dictatorship of the proletariat is the direction of policy by the proletariat." ("Collected Works of Lenin," Vol 32, p 332) In order to exercise this leadership, it is imperative for the working class to form a close alliance with the vast numbers of peasants and other laboring people. Now, after the exploiting class has been eliminated as a class, most of the people among the exploiting class have been transformed into laborers who support themselves through their own labor. The targets of dictatorship have been greatly reduced while the ranks of the people who enjoy democratic rights have correspondingly expanded. With the exception of the extremely few reactionaries who are hostile to and sabotage the socialist revolution and socialist construction, all the people in our country are masters of our country. Naturally, there are still certain contradictions between the two laboring classes of the workers and peasants, between the various strata of the masses of people and between one group of people and another group of people. These contradictions include the contradictions between the interests of the state and the interests of the collective on the one hand and the interests of the individual on the other, and the contradictions arising from the bureaucratic style of work of some state personnel in their relations with the masses. These are contradictions among the people. Generally speaking, the fundamental identity of the people's interests underlies the contradictions among the people. Therefore, under the socialist conditions, the leadership of the working class over the peasants and other masses of the people cannot be achieved through the method of dictatorship, but through the guidance of Marxism-Leninism-Mao Zedong Thought, through its correct principle and policies, through the methods of conducting ideological education among the masses and coming into close contact with the masses and through the method of correctly handling the contradictions among the people. The formulation of the people's democratic dictatorship in the draft of the revised constitution will not weaken the leading role of the working class over state life, but will better conform to our national conditions and more explicitly reflect the position of the whole people as the masters of the country in state life.

Third, the adoption of the people's democratic dictatorship for our state power of the dictatorship of the proletariat can reflect more clearly and more explicitly its nature, content and functions. In classical Marxist works, the content and functions of the dictatorship of the proletariat originally included the two aspects of democracy and dictatorship, that is, the practice of democracy among the people and the exercise of dictatorship over the enemies of the people. Lenin explicitly pointed out that the dictatorship of the proletariat "must inevitably be a state that is democratic in a new way (for the proletariat and the propertyless in general) and dictatorial in a new way (against the bourgeoisie)." ("Selected Works of Lenin," Vol 3, p 200) In light of the practical situation in our country, the formulation of the people's democratic dictatorship can directly indicate the two aspects of democracy and dictatorship it contains. This has the advantage of being explicit and clear in expression and can prevent some people from abusing the dictatorship of the proletariat. People still clearly remember that during the decade of civil disturbance, the Lin Biao and Jiang Qing counterrevolutionary cliques, put into motion by the need to usurp the leadership of the party and power, deliberately distorted the content and nature of the dictatorship of the proletariat. They isolated democracy from dictatorship, abolished socialist democracy and exercised "all-round dictatorship" of the feudal-fascist type over the numerous cadres and the broad masses with the result that the state and the people suffered from an unheard-of calamity. Naturally, the ugly performances of the Lin Biao and Jiang Qing counterrevolutionary cliques were not in the least related to the formulation of the dictatorship of the proletariat. However, in view of the historical lessons and experiences and in order to prevent conspirators from engaging in counterrevolutionary activities with the trick of stripping the revolutionary theory of its essence, it is quite necessary for the draft of the revised constitution to adopt the formulation of the people's democratic dictatorship which directly indicates the implications of the dictatorship of the proletariat.

It should be emphatically pointed out here that the adoption of the people's democratic dictatorship in the draft of the revised constitution published on this occasion also reflects the increased function of the people's democratic dictatorship in maintaining socialist democracy during the new historical period. The chief contradiction in the present stage of our country is no longer the contradiction between the working class and the bourgeoisie but the contradiction between the people's need for speedily developing economy and culture and the inability of the present economy and culture to meet the needs of the people. The fundamental task of our country is to concentrate our forces in the socialist modernization drive and gradually build our country into a socialist state with modern industry, modern agriculture, modern science and technology and modern national defense, and with a highly developed democracy and civilization. This determines that the fundamental task of the people's democratic dictatorship is to protect social productive forces under the new relations of production and to ensure that the people enjoy a high degree of democratic rights in the state's political life and economic construction. In order to develop social productive forces at a high speed, it is imperative for us to develop socialist democracy and ensure that the broad masses of people take an active part in socialist construction with the attitude of being masters of the country. In order to establish a socialist political system with a highly developed democracy, we should, with the development of socialist economic construction, constantly expand the people's democratic rights, particularly the people's rights to manage state affairs. The principal character of the people's democratic dictatorship of our country is extensive democracy. Therefore, the adoption of the formulation of the people's democratic dictatorship in the draft of the revised constitution has correctly reflected the functions of our state power and the socialist nature of our country.

Our party and Comrade Mao Zedong have enriched the Marxist-Leninist theory of the state with the theory and practice of establishing the people's democratic dictatorship. This constitutes a major contribution to the international communist movement. In this respect, the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" has made a positive confirmation. Taking the people's democratic dictatorship as a form of the dictatorship of the proletariat is an outstanding indication that the party and Comrade Mao Zedong have creatively applied the universal principle of Marxism-Leninism in the practice of Chinese revolution. When setting forth and expounding the theory on the forms of the dictatorship of the proletariat, Marx and Engels set forth, in the light of the different social and historical conditions in capitalist countries such as Britain, France and Germany at that time, the concept that these countries may "directly or indirectly establish the political domination of the proletariat" after the victory of the proletarian revolution. Engels pointed out: "In Britain this domination can be directly established because the proletariat there is now made up by the majority of the people; in France and Germany this domination can be indirectly established because the majority of the people in these two countries include not only the proletarians but also small farmers and small urban capitalists." ("Selected Works of Marx and Engels," Vol 1, p 219) This shows that, in judging the question of whether a state power is the dictatorship of the proletariat, we should chiefly see whether the country has established the political domination of the proletariat, that is, whether the proletariat has taken the leadership of the state into its hands. As to the forms of the dictatorship of the proletariat, whether it is a direct domination of the proletariat or an indirect role, that is, the exercise of political domination by means of establishing an alliance with the peasants and other laboring masses, they are all permissible. Therefore, the formulation of the people's democratic dictatorship adopted in the draft of the revised constitution does not deviate from the Marxist-Leninist theory on the dictatorship of the proletariat, nor has it changed the nature of the dictatorship of the proletariat in our country. It is precisely an expression of upholding in a better way the dictatorship of the proletariat in light of our national conditions.

Upholding the people's democratic dictatorship is a fundamental guarantee for the victory of the cause of our socialist revolution and construction. The reason why it is necessary for us to continuously consolidate and strengthen the people's democratic dictatorship is that the historical mission undertaken by this dictatorship is still far from being accomplished. We have abolished the system of exploitation and the exploiting classes in our country, but owing to the internal factors and international influence, class struggle will still exist in a certain scope for a long time. It may even intensify under some circumstances. In order to defend the socialist system, ensure the smooth progress of the four modernizations drive and ensure that the people of our country will enjoy a high degree of democratic rights in a stable social environment, it is imperative for us to employ the force of the state power to strengthen the suppression on the extremely few enemies who resist and disrupt socialism, guard against subversive activities and possible aggression by antagonistic external forces, eliminate all class differences and accomplish the historical mission of transition to communism. This is a more difficult, arduous and protracted fighting task. Therefore, so long as class struggle and class differences exist, the function of the people's democratic dictatorship will not wither away. The historical experience in the 30-odd years since the founding of the PRC has told us that without the people's democratic dictatorship socialism is empty talk. Only if the people of the whole country closely rally around the working class and its vanguard, the CCP, and persistently strive to uphold the people's democratic dictatorship will it be possible for the cause of our revolution and construction to smoothly advance.

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STRENGTHEN THE BUILDING OF POLITICAL POWER IN GRASSROOTS UNITS

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[Article by Zhang Qingfu [1728 1987 4395]]

[Text] Compared with the existing constitution, the "Draft of the Revised Constitution of the People's Republic of China" promulgated by the NPC Standing Committee has made important reforms in some of the stipulations in the political power sector in urban and rural grassroots units. This draft of the revised constitution has changed the present integrated management system of people's communes, has stipulated the setting up of rural political power as an organization of rural grassroots political power and has retained the people's commune as a simple organization of collective economy no longer possessing political power and functions. This has made the functions of organs of state power and administration in urban and rural grassroots units more rational and clearly divided. Apart from this, it has also written the neighborhood committees and villagers' committees into the constitution. These stipulations provide constitutional safeguards for improving and strengthening the work of our urban and rural grassroots political power and are important measures enabling the people to exercise the rights of being their own master and building a highly democratic socialist political system.

In China, the content of the people's socialist democratic rights is very extensive and involves every sphere of the political life of the state and social life. However, its most vital and essential aspect is the active participation of the masses in managing the various affairs of the state and society and becoming genuine masters of the state. Lenin said: "It is important for us to draw literally all working people into the government of the state. It is a task of tremendous difficulty." ("Collected Works of Lenin," Vol 27, p 123) Lenin also said: "The people need a republic in order to educate the masses in the methods of democracy. We need not only representation along democratic lines, but also the building of the entire state administration from the bottom up by the masses themselves, their effective participation in all of life's steps, and their active role in the administration." ("Collected Works of Lenin," Vol 24, pp 153-154) Strengthening the building of political power in urban and rural grassroots units is precisely for the sake of drawing the working people by the millions from the bottom up to participate in administering the affairs of the state. Only if the political power in urban and rural grassroots units is really produced as a result of direct election by the people and directly supervised and removed by them in accordance with the stipulations of the constitution can it become an authoritative organ of political power in the hands of the people and perform various functions stipulated by the constitution, and can the people bring their role into play in administering the affairs of the state and society and exercise the rights of being their own master.

The organ of political power at the urban and rural grassroots level is a basic organization of state power of the people's democratic dictatorship and an organic component of the whole state power system. It is directly responsible for the difficult task of mobilizing and organizing the masses to carry out the various construction assignments of the state and its own locality, and is an important base for various work of the state. At the same time, it is an organ of political power in direct contact with the masses and is the link between the party, the state and the people. The voices and demands of the people must also be reflected through it to state organs at various higher levels and directly to the central authorities. Strengthening the building of organs of political power at the grassroots level will bring the party and the state closer to the people and they will subject themselves to supervision by the people. Improving the work style of state organs will enable the state power of the people's democratic dictatorship to be established on a solid foundation and develop along the path of socialist democracy.

In this country of ours which has 800 million peasants, making a success of the building of political power in grassroots units is of especially important significance. Based on the past experiences of China in building rural political power, the draft of the revised constitution, in accordance with the principle of separating government administration from commune management, stipulates establishing rural political power while retaining the people's communes as collective economic organizations. This stipulation is helpful to improving and strengthening the work of organs of political power in rural grassroots units. Separating government administration from commune management will define the responsibilities of the party, the government and the enterprise so that each can attend to its own duties. This will prevent the concentration in the commune of party, government, financial and cultural powers in the hands of a few people. This will also help the organs of political power in grassroots units to cast off concrete production tasks and concentrate their energy in making a success of building political power, independently exercising their functions and power, and conscientiously performing their duties. At the same time, because the organs of political power in rural grassroots units are directly elected, supervised and removed by rural voters, this will contribute to their maintaining close ties with the masses of peasants and people and extensively listening to their views and demands. As a result of the effectiveness of their work, they will be able to: guarantee the observance and implementation of the constitution, laws and decrees as well as administrative laws and regulations in their own administrative district; decide on such major issues as economic construction, cultural construction and public works of their own locality in accordance with the authority prescribed by law; supervise in their own administrative district such administrative work as economy, education, science, culture, public health and physical culture as well as finance, public security, civil administration and family planning so that various work of the state will be concretely carried out in the vast countryside and so that they can really become people's organs of political power representing the interests of the people, safeguarding the people's democratic rights and working for the masses.

Will the separation of political power in rural grassroots units from commune management weaken the leadership of the party? No, it will not. China is a socialist country of the people's democratic dictatorship led by the working class and based on the worker-peasant alliance. The Communist Party is the core of leadership of the whole state power system. All state organs must carry out activities and develop work under the leadership of the party. This is a general principle of the activities carried out by socialist state organs. If we deviate from this principle, political work would lose its bearings and forfeit the quality of proletarian political power. However, the leadership of the party over state power definitely cannot be described as the amalgamation of party and state power, or that the party can take the place of the government. The leadership of the party over state power is mainly to exercise political leadership and not to monopolize concrete administrative and management work. The separation of government administration from commune management will enable party organizations in rural grassroots units to free themselves from tedious, trifling, routine matters so that they can go deep into reality for investigation and study, more effectively strengthen leadership in ideology and theory as well as in line, policies and principles over the organs of political power, intensify inspection and supervision over their work to enable them to advance along the correct orientation charted by the party and ensure the correct and concrete enforcement of the line, policies and principles of the party in every rural grassroots unit. At the same time, the separation of government administration from commune management will also help the party organizations in rural grassroots units make room for properly carrying out their own construction, strengthen education and supervision over the party members and enable the party organizations to really become the core and stronghold for rallying the masses in their advance so that the party members will truly play the exemplary role of vanguards at their respective stations.

The separation of government administration from commune management will also help perfect the rural collective economic organizations and promote the development of the national economy. As economic organizations, the people's communes are of a collective ownership nature. Their means of production and products are collectively owned, and the state as well as all other units cannot make gratuitous transfers but can only carry out exchange based on the principles of voluntary participation and mutual benefit. The separation of government administration from commune management will prevent state organs at higher levels from making gratuitous transfer of the manpower and material and financial resources of production teams. It will also help prevent the organs of political power from excessively controlling production and livelihood by means of administrative orders and fostering such bureaucratic phenomena as resorting to coercion and commandeering and giving arbitrary and impracticable directions. It will help to safeguard the ownership as well as the administration and management decisionmaking power of commune collective economic organizations and also mobilize the socialist enthusiasm of the broad masses of peasants and people. At the same time, the separation of government administration from commune management can break the framework of administrative district restrictions. Based on the organic connections in socialist economy, division of labor and cooperation can be carried out beyond the districts and trades and among different ownership systems. In communes, production teams and various economic organizations can also establish genuine relations of cooperation on the basis of voluntary participation and mutual benefit. This will help agriculture to develop in a direction favorable to specialization and socialization and will cater to the needs of agricultural modernization.

The separation of government administration from commune management is the general trend and popular feeling. It reflects the needs of our rural and economic development. However, this reform is an important change involving the political and economic life of 800 million peasants. This is a very complicated and meticulous work and there is absolutely no room for carelessness or hasty changes. Work must be carried out in an orderly manner in accordance with the dispositions of the CCP Central Committee and the State Council, and there must be leadership, preparations, plans and procedures and there must not be "across-the-board measures." At present and in the next few years after the formal adoption of the constitution, all localities should maintain the present system and continue to perfect various responsibility systems and readjust various grassroots organizations in accordance with the stipulations of the "Minutes of the National Conference on Rural Work" approved and transmitted by the Central Committee. However, we can first conduct tests at selected points based on unified planning and sum up experiences. Then on the basis of summing up experiences and after ample preparations and overall arrangements, we can gradually make changes by stages and in groups under guidance in accordance with specific conditions in various localities. At present, enterprises run by communes and production brigades are still led and managed by them. Even after the separation of government administration from commune management in the future, the enterprises run by the communes, production brigades or production teams and their property still belong to them and will not change as a result of the separation of government administration from commune management. This point must be made clear to all the commune members and commune cadres in order to avoid unnecessary ideological confusion which might result in economic and production losses. At present, the administration, management and organization of the agrotechnique popularization stations and agricultural machinery stations belonging to the communes are still under their responsibility and leadership. Such enterprises and units as supply and marketing cooperatives and credit cooperatives set up at the commune level are still managed and led under the existing system. Unless a decision is made specifying so by a department in charge at a higher level, this cannot be changed at will. Before the formal establishment and operation of rural organs of state power in the future, the work of various organs of political power in the rural areas at present is still managed respectively by the communes and the production brigades, and the responsibilities of the production team will continue to be in force. We must also continue to strengthen the work of party and league organizations. We must understand the important significance of the future separation of government administration from commune management to strengthening the building of political power in rural grassroots units and to developing rural collective economy. We must strengthen discipline, stand fast at our posts, conscientiously implement the various policies of the party and the state, and make a success of various work tasks.

In order to strengthen the work of organs of political power in our urban and rural grassroots units, the draft of the revised constitution makes the stipulations more explicit and rational than before in defining the functions of organs of state power and administrative organs in grassroots units. The differentiation made in the present constitution is not very explicit in this respect, and the functions of some administrative organs such as the planning of economic, cultural construction and public undertakings, the safeguarding of public property and the upholding of public order have been stipulated as the functions of organs of state power. The relevant stipulations in the draft of the revised constitution have remedied this defect. Not only this, but the draft of the revised constitution also makes more explicit and concrete than the present constitution the extent of the authority of local state administrative organs (including state administrative organs at grassroots level), and points out the limits of the authority of people's governments at various local levels, the management of the economy, education, science, culture, public health, physical culture and urban and rural construction in their own administrative district, as well as such administrative work as finance, public health, civil administration and family planning, the promulgation of decisions and orders and the appointment, dismissal, training and examination as well as the reward and punishment of administrative personnel. These stipulations in the draft of the revised constitution play an important role in enforcing the work responsibility system, raising work efficiency in state organs and getting rid of bureaucracy.

In order to strengthen the work of organs of political power in our urban and rural grassroots units and the masses, the draft of the revised constitution has also added the neighborhood committees and the villagers' committees into its content. Neighborhood committees and villagers' committees are important forms of organizations that have long proved effective in China. Although they are not a form of state power organs, they are important channels for organs of political power in grassroots units to maintain ties with the masses. According to the stipulations of the draft of the revised constitution, neighborhood committees and villagers' committees are mass organizations of self-government set up in cities and rural areas where people live in a community. The neighborhood committees and villagers' committees set up subcommittees for mediating disputes among the people and to help maintain public order. They also reflect the views and demands of the masses to the people's government, offer suggestions and carry out supervision. This not only will enable the urban and rural residents, based on the principle "everybody's business should be handled by everybody," to solve problems in their own livelihood, production and study by means of the neighborhood committees and villagers' committees, and to strengthen unity among the people, but the organs of political power in urban and rural grassroots units can also, by means of such residents' self-government organizations, acquaint themselves with the views and demands of the masses, maintain close ties with the masses and guarantee the implementation of the line, policies and principles of the party as well as the laws and decrees of the state.

The stipulations in the draft of the revised constitution concerning the strengthening of organs of political power in grassroots units are a summation of the experiences in the building of political power carried out for a long time in our country. It can be affirmed that these stipulations will play an important role in persuading the masses to take part in the management of the state, guaranteeing the democratic rights of the people and promoting the four modernizations. Now the 23d Session of the 5th NPC Standing Committee will submit the draft of the revised constitution to the whole people for discussion, an important event in the political life of our country. All our citizens must actively take part in the discussion and conscientiously submit amendment suggestions so that our constitution will become more perfect and complete and the stipulations of the constitution concerning organs of political power in grassroots units will be more suited to our national conditions.

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SELECT AND APPOINT PERSONS OF ABILITY

Beijing RED FLAG in Chinese No 12, 16 Jun 82 pp 16-19

[Article by Yang Fengchun [2799 6646 2504]]

[Text] "Selecting and appointing persons of ability" is a strategic task in carrying forward the proletarian revolutionary cause. It is also one of the major tasks in the present restructuring of government organizations and reform of the cadre system. It is aimed at vigorously developing the great socialist and communist cause pioneered by the proletarian revolutionaries of the older generation and ensuring the successful realization of the construction of the socialist modernizations.

The restructuring of government organizations is being carried out smoothly. The organs directly under the CCP Central Committee and the State Council have been doing a good job in carrying out the party's line of "appointing people on their merits," paying serious attention to selecting outstanding young and middle-aged cadres for the leading bodies and enabling them to take part in or to take charge of the leadership work. What they have done enjoys warm support from the broad masses of cadres and people and has set a good example for the reform of party and government organizations at various levels.

The comrades who have been newly promoted to the leading bodies can certainly open up a new prospect in their work if they resolutely carry out the party's line, policies and principles, abide by party discipline, maintain close ties with the masses, are capable of independent work, active and resolute in doing their work, never seek private interests and dare to overcome difficulties. The old comrades who have left the leading posts will then feel relieved when they see with their own eyes that a large number of talented people have come forth from the contingent of the proletarian successors and that there is no lack of successors to carry on the proletarian revolutionary cause. It is necessary to help and support the younger comrades to take charge of the leadership work and do a good job in handling and taking over the work when the old comrades are still in good health. It is necessary to foster the revolutionary atmosphere in which every younger cadre at a leading post is working hard for the party and the people with a high sense of responsibility and every older comrade who has left his post is continuing to concern himself with the party's cause with high revolutionary enthusiasm and is keeping up the good qualities of a party member. Thus, our purpose of abolishing the lifelong tenure of leading posts, which has really been existing, and preventing the aging of the leading bodies will be achieved. Besides, this is also an essential condition for ensuring the continuity of our party's line, policies and principles and for ensuring that our revolutionary cause is developed continuously toward prosperity. Therefore, "selecting and appointing persons of ability" is of far-reaching significance.

We have fulfilled the task of setting to rights things which have been thrown into disorder in the guiding ideology and have a correct political line. However, in order to implement the party's correct ideology and realize the party's political line, there must also be a correct organizational line. Therefore, the cadres' quality, their steadfastness and loyalty toward the revolutionary cause, and whether they are capable, energetic and vigorous are of decisive importance. Without tens of thousands of leading cadres and backbone forces who have both ability and political integrity and are in their prime, it is impossible to complete the great historical task of leading the socialist modernization drive in a country with a population of 1 billion.

The old cadres must take on the responsibility of selecting and training their successors. This is the crux of "selecting and appointing people of ability," and is also the most glorious and sacred duty of the old cadres in the new historical period. In this respect, the proletarian revolutionaries of the older generation have set the whole party a brilliant example. Standing on a high plane and being farsighted, they have taken the interests of the party and the state as the supreme guiding principle for their ideology and action. They have conscientiously fostered and supported the younger comrades, who are not so capable, so experienced and qualified as themselves, to take charge of the important leading posts so that a new generation of leadership core can be shaped and our cause can be carried on and be uninterruptedly pushed forward. What they have done, which is good for the people and is enjoying the ardent support of the people, will always be spoken of highly by the masses of people and will thus go down in history to educate our descendants.

Many old comrades have voluntarily withdrawn from the front-line leading posts and "made way" for the younger and middle-aged cadres. They are naturally spoken of highly by the party and the people. Under the education of the party, our veteran comrades have always lived and fought together with the party and the people, whether in the war-ridden years or in the sun-scorched and rain-drenched days of construction. They have acquired good habits of diligently working and making revolution. Now, since they have become old and their energy and vigor have failed them in doing such intense and onerous work as they did when they were young, they have to leave their familiar environment. Some of them will retire and some will leave their posts for convalescence. It is natural that they feel reluctant to leave. We must understand their feelings and show every consideration for them. There are also a large number of old cadres who regained their posts after the smashing of the "gang of four" or after the party's cadre policy was implemented. Although their prime of life for working for the party and the people was lost due to the persecution by Lin Biao and the "gang of four," they have never become despondent. They are capable, enthusiastic and are in good health. They are eager to work for more years for the party and the people so as to make up for the lost time. But proceeding from the long-term interests of the party and the state, they have voluntarily withdrawn from their posts so that the younger and middle-aged cadres can have more opportunity to take up the leading posts and give better play to their prime of life. We must learn from and develop this noble quality. At this juncture, the veteran comrades cannot but have mixed feelings. They are recalling the past, thinking of the future and caring for the present. They are concerning themselves with affairs of the party and the people, just like "an old steed in the stable aspiring to gallop a thousand li, and an old warrior cherishing high aspirations." Every one of us, working at our posts, must have a full understanding of all this, show every consideration for the ardent revolutionary feelings of the old comrades and never hurt their feelings. As to those who spread rumors and slander and say things that hurt the feelings of the old comrades and are harmful to the unity between old and young cadres, it is necessary to stop them from doing so and educate them. We must fully respect our veterans politically and take good care of them in their daily life. It is especially important for us to do a good job in the work our veterans have handed over to us. We must respect our veterans, earnestly learn from them, ask them for help and listen to their opinions and criticisms with an open mind.

There have always been obstructions to the selection and promotion of young cadres. This is not a question of whether one is enlightened or not but an expression of backward social habits and an erroneous conventional concept. According to these outworn concepts and habits, the maintenance of administrative power is a symbol of honor, position and material gains. These erroneous concepts and habits have now penetrated into the routine work of our party and government and have given shape to the lifelong tenure system, which was regarded and propagated as "carrying out revolution all one's life." Under this system, the comrades who had power in their hands were taken very good care of in a hundred ways while the retired old comrades were seldom thought of. Thus, various absurd remarks emerged, such as "power means truth" and "power means gains," and some vulgar and erroneous ideas such as leaving the leading post means being nonrevolutionary or committing mistakes, even such harmful and corrosive ideas as "using the power as much as possible before it is forfeited" have emerged. They have run completely counter to the Marxist revolutionary viewpoint of "public servants." If these erroneous conventional concepts and habits are not exposed, our reform will be seriously obstructed.

In this connection there is also a question of recognition. In the eyes of some comrades, young and middle-aged cadres are always immature, so they cannot be trusted to carry the heavy loads. This is certainly reasonable in some aspects, for young comrades are generally not so experienced as the old comrades and their understanding of party spirit and ability to take their bearings are not as good as the latter. But, on the other hand, since they are younger, and are in the prime of life, just like the old comrades were when they were young, they are more eager to learn, more sensitive to fresh happenings and more diligent and indomitable in doing solid work. They also have closer ties with the masses. So, with the help of the old comrades, they will be able to grow rapidly and become successors to the proletarian revolutionary cause. "Real knowledge comes from direct experience." Leaders can only acquire their knowledge, ability and methods by actually taking part in leadership work. At the actual leadership posts, the young cadres will be able to enhance their abilities, acquire experiences and become mature more rapidly and give better play to their role. Did our veterans not grow up in this way?

Some other comrades are apprehensive that the young and middle-aged cadres are not prestigious enough to lead the work. Analysis must be made on this question of qualifications and record of service. The qualifications and record of service reflect, to a certain extent, one's work experience. Having little experience and without a period of practical training, it is certainly difficult for one to do leadership work. However, by stressing one's revolutionary qualifications, we do not mean "judging one's ability merely according to one's qualifications and records of service." This is a wrong principle in cadre work. Some people always believe that they are better than the others and have thus adopted an uncooperative attitude toward the young and middle-aged cadres who have been promoted to the leading posts. Such an individualist attitude is certainly incorrect. Some people have advocated "being even with one another." Do they mean that a leadership post should be taken by everybody? There is nothing absolutely "even" in the world. The earth itself is uneven, too. To "judge people merely according to their qualifications and record of service" has never been the proletarian boldness of vision. What we must do is "select and appoint persons of ability." Anyone who has common political knowledge can understand this. However, this shows how the young and middle-aged cadres need the help and support of the veterans. In short, we must, proceeding from the whole situation and with a proletarian breadth of vision, take a broad and long-term view and select and train the successors. Otherwise, we shall commit an unforgivable historical error due to overcaution, indecision and hesitation.

In selecting and appointing young and middle-aged cadres, we must adhere to the criterion of having both ability and political integrity. There are different political criterions for different classes. For the proletariat, it means a firm proletarian class stand, high socialist consciousness and good political quality. As to ability, it means professional knowledge, work experience, being capable of solving problems and capable of implementing the party's line, policies and principles mapped out since the 3d Plenary Session of the 11th CCP Central Committee in the light of the actual conditions. To judge whether one is of good political integrity, we must not merely judge it from one's temporary behavior, but mainly from one's political attitude since the 3d Plenary Session of the 11th CCP Central Committee. It is necessary to see whether one supports the party's political line, reaches political identity with the CCP Central Committee, adheres to the four basic principles, works hard and is ready to devote one's self in the construction of the four modernizations. Those proven smash-and-grabbers, those who made their fortune through rebellion and those who have been seriously influenced by factionalism should never be allowed to enter the leading bodies at various levels. These people, as well as those who have seriously violated the law and discipline in the political and economic fields and those who have stubbornly rejected the implementation of the party's line, policies and principles mapped out since the 3d Plenary Session of the 11th CCP Central Committee must resolutely be transferred from the leadership posts if they are still in power. Those who are lazy, dispirited and selfish and who indulge in idle talk without doing concrete work should not be permitted into the leading bodies either. More attention should be paid to preventing those who are always inactive, unprincipled, deceitful, double-faced, fond of talking big, flattering, framing others and forming factional cliques and who enjoy no support from the masses from entering the leading bodies. Such political double-dealers are not only unreliable but also very dangerous. They have corrupted the party's work style, injured its relations with the masses and damaged its unity. They are careerists hidden in the revolutionary ranks. Those people who have only ability but are without good political integrity should not be admitted to the leading bodies. But to those comrades who have really corrected their past mistakes, we must not seize on their mistakes. If they must be transferred to important positions, we must not hesitate to do so.

It is necessary to give first priority to the political criterion in the training and selection of successors. This principle is not only adopted by the proletariat but was also adopted by all people of insight in the feudal society. Sima Guang, a feudal politician, said: "A man of moral character is respected, and a man of ability is loved. People usually keep a distance from the respected and are on intimate terms with the loved. For this reason, one can discover the ability of other people more easily than to know their moral characters. Since ancient times, prodigals of a family or treacherous court officials and arch careerists of a country were usually those who had ability but lacked moral integrity. Many countries and families were then subverted by such people. Therefore, if the leaders of a country or a family can draw a distinction between ability and moral character and know pretty well which is more important, then there will be no need to worry." ("Zi Zhi Tong Jian": "The Records of Zhou, the Twenty-Third Year of King Wei Lie") So, "when we select and promote cadres, it is necessary to find out whether they adhere to the socialist path. If a cadre does not adhere to the socialist path, he must be educated and transferred to another post." (Deng Xiaoping: "The Present Situation and Our Tasks") Secondly, an important condition for the selection and promotion of cadres is whether they possess scientific and professional knowledge. Under the present circumstances, anyone who does not possess scientific, technological and cultural knowledge will be unable to lead the construction of the four modernizations and shoulder the heavy loads of building the socialist material and spiritual civilizations. Therefore, "no matter at what post one is working, one should acquire professional knowledge and be vocationally proficient. Those who have not acquired professional knowledge should start learning, and those who already have professional knowledge should continue learning. Anyone who is unable or reluctant to learn should be transferred to another post. We must organize our leading bodies according to the demands of various professions, give full play to the role of professional cadres and help the broad masses of people in their study and work according to the demands of various professions." (Deng Xiaoping: "The Present Situation and Our Tasks") On the premise of combining both political integrity with ability, whether one is in the prime of one's life must also be taken into serious consideration today. In selecting cadres, it is necessary to be selfless, to take the whole situation into account, and proceed in all cases from the interests of the party and the state. Such practices as "judging cadres merely according to one's own judgment," and "arousing factionalism" are very harmful. In order to do a good job in this respect, it is necessary to follow the mass line and combine personal recommendation with organizational investigation as well as combine organizational investigation with soliciting opinions from the general public. In other words, it is necessary to select the comrades who meet the three requirements as cadres for the leading bodies so that the leadership power at various levels can be grasped by the active elements of the proletariat.

This restructuring of government organizations and the reform of our cadre system, including "selecting and appointing persons of ability," are a deep-going revolution. It is a great self-revolution of the proletariat after summing up historical experiences and lessons to overcome its own shortcomings. It is also an organizational preparation made through consolidating organizations for the great socialist construction. This is why when it was waged, it soon became a central task in the political life of the whole country. Having the destiny of the party and the state in mind, the broad masses of people, party members and cadres sincerely hope that this reform will be carried out successfully and that it will be carried out resolutely and through to the end. Some comrades are apprehensive that this great action cannot be finished since there are various obstructions and deep-rooted habits which are difficult to get rid of. Some other comrades, who are selfish and have proceeded from their private interests, are preoccupied with their personal gains and losses or are even full of grievances. Those who oppose us, including the remnants of the "gang of four," are looking on unconcerned with cold eyes. Some of them have even seized the opportunity to stir things up and tried to shake the will of the people, desiring to see the world plunged into chaos. In short, the restructuring of government organizations and the reform of our cadre system have found an echo in various social strata and there are various views and comments on them. However, the Chinese Communist Party, which takes the people's will and interests as its own, must do as the masses of people require. We have no reason to stop doing what the masses of people require us to do. There do exist difficulties, but we are full of confidence that we will win. We have already made the first step toward victory. We must continue to advance and never turn back or stop on the road of ictory. We are sure to win successes if we are determined, firm and resolute and overcome all obstructions.

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INVESTIGATION ON LIUZHUANG

Beijing RED FLAG in Chinese No 12, 16 Jun 82 pp 20-25

[Investigation report by joint investigation team comprising members of the Henan Provincial CCP Committee, Xinxiang Prefectural CCP Committee and Xinxiang County CCP Committee]

[Text] Qiliying commune's Liuzhuang brigade in Xinxiang County, Henan Province is located on the north Henan plains' old course of the Huanghe River. There are 207 households in the village [as published] with a population of 1,230. The village has a total cultivated area of 1,904 mu. As an advanced unit, it was well-known throughout the country as early as the 1950's. Over the past more than 20 years, members of the brigade have overcome all kinds of obstructions and have consistently persisted in steadily advancing along the socialist road. Following the 3d Plenary Session of the 11th CCP Central Committee, this brigade has achieved a big increase in production every year. In 1981, the brigade's per-mu grain yield reached 1,700 jin, its per-mu yield of ginned cotton reached 175 jin after encountering a natural disaster, its total collective income reached 2.52 million yuan, its per-capita income reached 2,050 yuan, and on the average, each person received 600 yuan through collective distribution. In 1981, the brigade sold 142,000 jin of grain, 170,000 jin of cotton and over 10,000 jin of oil to the state. In 1981, its public accumulation increased by 510,000 yuan, thus having an accumulative total of 5.3 million yuan. The accumulative total of 5.3 million yuan represents an average of 25,600 yuan per household. Every household in the brigade has surplus grain and bank savings. In 1981, the total amount of bank savings of all members of the brigade exceeded 800,000 yuan. This total amount means that on the average, each household has deposited over 3,800 yuan in the bank. The collective [as published] has built 41 two-story buildings and all members of the brigade have moved into new houses. The brigade's average housing space per person is 23 square meters. The village has 197 television sets, 315 radios, 265 electric fans, 609 wristwatches, 310 bicycles and 217 sewing machines. Some households in the brigade have also bought washing machines, cameras and motorcycles. The brigade also provides for its members free housing, free water and electricity supply, free medical care, free schooling, free nursery service, free hairdressing, free bathing facilities and free movies.

How did the party branch of Liuzhuang brigade lead the masses to build a new socialist village?

1. Proceed From Reality, Correctly Implement the Party's Policies, and Lead the Masses To Work Steadily and Make Solid Progress in Promoting Production and Construction

Comrades of the Liuzhuang brigade party branch always said: "What is our party's purpose in leading the masses to make revolution? The party simply wants to develop production and let the masses become well-off. We should proceed from this realistic point and try in every possible way to quicken the pace of developing production and construction, to increase the income of the masses of commune members and to make greater contributions to the state." Members of the party branch call this strong faith the pillar. With this pillar, they have persisted in proceeding from reality and correctly implemented the party's policies over the previous years. With this pillar, when they were kept waiting a long time for assignments, they were not downhearted or nervous; when they were given important assignments, they did not overdo their roles nor did they take a haughty attitude. In particular, the realistic spirit they showed when work involving the overall situation went wrong is really commendable.

In establishing advanced agricultural producers' cooperatives in 1956, some comrades thought that advanced cooperatives should be established on the largest possible scale and that some 20 elementary cooperatives in 7 natural villages should be integrated into one advanced cooperative. However, after consulting members throughout the village, the Liuzhuang party branch unanimously held that integrating over 1,000 households into an advanced cooperative would create production headaches due to the lack of management experience. Members of the party branch decided to integrate the village's three elementary cooperatives into one advanced cooperative. Higher authorities then did not recognize the Liuzhuang advanced cooperative. As a result, the Liuzhuang advanced cooperative was kept waiting for 6 months for assignments. After being put into practice for a year, the large-scale cooperative system got nowhere. Consequently, cooperatives established on a small scale in natural villages were restored while Liuzhuang promoted production.

In 1958, the rural areas engaged in grand large-scale battle tactics. The Liuzhuang party branch could only helplessly watch these tactics producing adverse effects on production. The strength of a single brigade was unable to stand up against this current. Consequently, the Liuzhuang party branch organized weak and female workers into a labor force for "supporting work in other localities" and reserved 100 strong workers to promote the brigade's production, thus reducing the brigade's production losses.

During the 10 years of upheaval, Lin Biao and the "gang of four" energetically criticized the "theory of productive forces," and preached fallacies such as "rather have socialist weeds than capitalist seedlings" and "poverty leads to revolution and prosperity leads to revisionism." None of these things shook the Liuzhuang party branch's will to grasp production.

No matter how chaotic the outside situation was, all trades and professions in Liuzhuang carried on as usual.

The Liuzhuang party branch upheld the Marxist-Leninist principle of seeking truth from facts. Not only did it not waver or vacillate during political storms, but it strictly carried out production and construction tasks in accordance with objective laws. At every stage, the party branch formulated feasible and realistic production plans and led the masses to work steadily and to make solid progress in developing the range and quality of production.

What history had left for the Liuzhuang people was a piece of barren saline-alkali land crisscrossed by ravines. Before liberation, it was said that, "In this area which has a circumference of 10 li, the poorest village is Liuzhuang village." In 1949, Liuzhuang's per-mu yield of grain barely exceeded 100 jin, its per-mu yield of ginned cotton was around 20 jin, the whole village's total income was between 30,000 and 40,000 yuan and its per-capita income was around 20 yuan. In face of this reality, the Liuzhuang party branch raised a loud and clear point: "To enable everyone to eat one's fill, it is imperative to change conditions." The party branch led members throughout the village to fight for 4 whole years. During the 4 years, they leveled land, dug irrigation ditches, sank wells, diverted water from the Huanghe River to their land, improved their saline-alkali soil, and turned the village's 750 low-yielding plots into a large piece of open and flat land. In 1957, the village's per-mu yield of grain reached 430 jin and its total grain output reached 280,000 jin. This meant its grain output increased more than five times. In the same year, the village exceeded 100 jin in per-mu yield of ginned cotton and its total ginned cotton output increased more than 10 times. The village's 1957 per-capita income from distribution reached 79 yuan. The village's problem in finding enough to eat and wear was then solved. Comrades in Liuzhuang described this stage as a stage for turning low yield into high yield. They also described it as a stage to lay foundations for eliminating poverty and achieving prosperity.

What did they do after turning low yield into high yield? On the basis of summing up experiences, the Liuzhuang party branch led the masses to further level their land. To provide "double insurance" against drought, they carried out both well irrigation and canal irrigation. They developed fine varieties by selection, improved cultivation techniques, gradually carried out mechanization of farm work, and established farmland with high, stable yields. In 1968, the village's per-mu yield of grain exceeded 1,000 jin and its per-mu yield of ginned cotton reached 176 jin.

Looking back on the 10-year course of the production development, the Liuzhuang party branch discovered that the growth rate of agricultural income was far lower than that of agricultural investment. During the 10 years, the village's per-capita income from distribution was always between 130 and 150 yuan. At the same time, with the further and continuous improvement in production conditions and management standards, and with the development of scientific farming and the increase in the number of farm machines, it was discovered that there were too many people and very few farm tasks in the village. Through summing up experiences, the Liuzhuang party branch achieved a new leap in ideological understanding. Members of the party branch said: "If we do not develop a diversified economy, we will not be well-off in 100 years' time." From 1969-1975, while further grasping the promotion of grain and cotton production, they organized surplus labor forces to actively develop animal husbandry and forestry. The development of forestry and animal husbandry not only increased income and accumulated funds for promoting expanded reproduction but also supplied agriculture with a large amount of organic fertilizer, improved soil and promoted grain and cotton production. With a continued increase in funds, the village bought more farm machines, thus saving agricultural labor. As the labor and funds were available, the village successively set up a flour mill, a machinery plant, an ice cream factory and a cottonseed oil processing factory. Liuzhuang's total income in 1975 reached 540,000 yuan, compared with only 320,000 yuan in 1969. Its income from industrial and sideline production in 1975 accounted for 42 percent of its total income, compared with only 7.7 percent in 1969. The Liuzhuang party branch described this stage as a stage of all-round development. They also described it as a stage for achieving prosperity.

Following the 3d Plenary Session of the 11th CCP Central Committee, the Liuzhuang party branch further emancipated its mind and led the masses of cadres and people to enter a new stage for promoting the integrated management of agriculture, industry and commerce and all-round development. The party branch proceeded from Liuzhuang's reality and formulated two measures: 1) Setting up on a trial basis an integrated agriculture, industry and commerce undertaking and striving to increase economic returns. Under the guidance of higher authorities, they set up a shop, a business canteen and a food processing factory, expanded their paper mill, developed their breeding trade, and initially made production, supply and marketing a coordinated process. 2) Further perfecting the production responsibility system. The whole brigade was divided into six specialized departments, namely, agriculture, industrial and sideline production, animal husbandry, forestry and vegetable production, building construction, and machinery. The brigade's 12 production units carried out specialization in production, promoted business management, and established the production responsibility system which is characterized by "unified management, specialized production, division of labor and cooperation, and linking rewards and penalties to output." This gave better expression to the principle of distribution according to work, gave full play to the superiority of the collective economy, and mobilized village members' enthusiasm for promoting production. With the implementation of the two measures, Liuzhuang made three big steps in 3 years' time: the total income of the brigade's collective economy increased from 1.26 million yuan in 1978 to 2.52 million yuan in 1981, thus achieving an average increase of 26.1 percent; the brigade's per-capita income from collective distribution increased at an average rate of 26.3 percent; the brigade's grain, cotton and oil contributed to the state showed a yearly average increase of 4.8 percent; and the collective's public accumulation showed a yearly average increase of 11.2 percent. The development pace achieved since the third plenary session was unprecedented since the founding of the PRC.

Members of the Liuzhuang party branch who fight in the agricultural forefront the year round understand that going in for agriculture requires much study. To work in agriculture, one must not only have the courage to do so, but also have a good grasp of agriculture. Without raising scientific and technological standards, production cannot be developed in an all-round way.

Over the past 20 years and more, members of the Liuzhuang party branch consistently have taken the lead in studying science and technology and strived to turn themselves into experts in various production trades. As early as 1956, they had organized a scientific research group, carried out various experiments in grain and cotton production, insisted that "experiments should first be carried out in small plots prior to spreading successful experimental experiences over a large piece of land for growing field crops," solved knotty problems, set good examples, promoted production and served production units. Shi Laihe and Li Anren, respectively secretary and deputy secretary of the party branch, lived near the experimental plots with members of the brigade, observed the growth of their cotton day and night, the situation of plant diseases and insect pests and the results of various experiments; tried to learn the secret of cotton cultivation techniques, and summed up their experience in mastering high-yield cotton cultivation techniques: "Cotton seedlings should be managed in a timely manner; strong sprouts grow quickly; seedlings should be managed in accordance with the way they are growing; the growth of budded cotton can be stabilized by building racks; water and fertilizer should be applied ingeniously to promote the stable growth of cotton; and a high yield can be achieved by making unremitting efforts to promote cottonfield management." During the late 1960's, withering disease spread and cotton production was seriously threatened. They introduced disease-resistant varieties of cotton, promoted cotton variety development by systematic selection and through hybridization, developed over 10,000 single plants and several hundred hybrid combinations, and successively bred three types of disease-resistant and high-yield cotton varieties, namely, "Liuzhuang No 1," "Liuzhuang No 2" and "Liuzhuang No 3." These varieties of cotton have been demonstrated and popularized in this province and also in fraternal provinces. Through long-term practice, cadres of this brigade have turned themselves into experts in cotton production. Of the 17 members of the brigade party branch, 15 have been assessed as qualified technicians and some of them have become noted local experts in cotton production. The Liuzhuang Scientific Research Center has now become a scientific research organization engaged in the synthetic study of agriculture, forestry, animal husbandry, sideline production and industry. The brigade now has a total of 107 qualified peasant technicians. The brigade has technical personnel engaged in various specialized trades and professions such as grain and cotton production, plant and crop protection, meteorology, pedology, animal husbandry, veterinary medicine, agricultural machinery, machinery, papermaking and food industry. The brigade party branch has also carried out technical training for members of the brigade through various forms and made great efforts to train and foster a generation of a new type of peasants with political consciousness, culture and technical capability.

To raise the scientific and technical standards for promoting production, there must be scientific management corresponding to the raising of the standards. With the development of production, the Liuzhuang brigade party branch has paid great attention to improving management work and tried in every possible way to increase economic returns. The party branch has divided members of the party branch and cadres of the brigade into three groups: the first group is in charge of grasping party building and the party's ideological and political work; the second group is in charge of the management of production and construction; and the third group is in charge of day-to-day administrative affairs. Every specialized department of the brigade has a leading group which is in charge of organizing production and management work. The brigade has a set of methods to manage production, marketing and distribution. With regard to labor management, the party branch has sent the brigade's 580 workers to various production units in accordance with their specialties and production needs. The party branch has carried out a careful calculation, clearly defined every worker's responsibility, adopted a quota management system and implemented the system of linking rewards and punishments with production output so as to give full play to every worker's special skill, to tap labor potentials and to make the best use of every worker. With regard to the management of industrial and sideline production, the party branch has stressed that brigade-run enterprises will not vie with state-run factories in purchasing raw materials; that brigade-run enterprises will just use local materials; that brigade-run enterprises will start with producing those products that only require a small investment but produce quick desired results and have a good market; and that brigade-run enterprises should adopt the "snowball" method of progressively developing their enterprises. The party branch has also stressed that brigade-run enterprises must pay attention to economic returns, avoid participating in losing ventures and avoid adopting dishonest practices. With regard to property management, the party branch stressed that it is imperative to uphold careful calculation and strict budgeting and to be industrious and thrifty in managing property. This system and these management methods organically integrate responsibility with power and profit, organically integrate political work with economic work and organically integrate centralized leadership with democratic management. They are advantageous to the building of our socialist material civilization and spiritual civilization.

2. Linking the Hearts of the Cadres and the Masses Together With Socialist Ideology Is an Important Social, Political and Ideological Condition for Liuzhuang's Incessant Progress

The Liuzhuang party branch persists in educating the commune members with socialist ideology so that, even though they are in Liuzhuang, the cadres and the masses have the whole country in mind, are united as one and are doing their utmost in building socialism.

In the practice of continuously educating the masses with socialism, it has acquired a set of methods and styles welcomed by the masses for carrying out lively and concrete ideological and political work and it has gradually regularized and systematized work in this respect. One thing it does is to integrate political work with economic work and to carry out ideological work in every link of production. In each stage, it often helps the masses to understand what, how and why they should do something. It links each item of work with the interests of the state, the collective and the individual and asks the masses to participate in making plans and to put forth suggestions so that the masses can really become masters of the collective. Before doing anything, it first mobilizes the masses. Then, it checks the work while it is being done. Finally, it sums up the work when it is completed. It persists in selecting and commending the advanced, setting up typical exemplary examples and relying on the role played by the advanced to push forward work that affects the overall situation. Last year, the brigade set up 8 red banners, selected 12 advanced collectives, 120 model cadres, 71 model CYL members, 228 model commune members and 45 model families. Secondly, it adheres to the principle of giving guidance. Timely help is given instead of belated advice. Investigation is conducted before any problem crops up and the thoughts of the masses are well-understood. The Liuzhuang party branch watches out for symptoms of unhealthy tendencies and carries out timely education so that problems will not pile up before they are tackled. It carries out specific ideological work in accordance with the specific conditions of different individuals. If a problem cannot be solved right away, it waits patiently and in the meantime, creates conditions for solving it instead of making rash criticism. Thirdly, it helps the masses solve concrete problems while carrying out ideological work. It becomes a bosom friend of the commune members. When a commune member is ill or when he attends to a wedding or funeral ceremony, the cadres will visit them and help them solve concrete problems. Before each Spring Festival, the brigade has various kinds of goods provided for the occasion. Shortly before the busy farming season, the brigade arranges holidays for the commune members to visit their relatives, gather pig feed and attend to their private affairs. In the winter, the cadres send coal to the commune members and so on. Through the work mentioned above, the hearts of the commune members are closely linked with the collective economy. Fourthly, an exemplary role is played by party and CYL members and cadres and all party, CYL, women and militia organizations grasp ideological and political work. In Liuzhuang, the masses dare to criticize and check anything which is harmful to the collective and any words or deeds which are harmful to socialism. A new social practice of cadres supervising commune members, commune members supervising cadres and commune members supervising commune members has been formed. Fifth, it has formulated a set of feasible popular rules, welcomed by the masses, which are gradually changing into a new socialist moral code.

With the ever-deepening socialist education, profound changes have taken place in habits, customs and ideology which have lasted for several thousand years. New socialist relationships among men have appeared. People are united, help each other and love each other. Selflessness, putting other people's interests ahead of one's own, loving the collective and loving the country have become virtues treasured by Liuzhuang's commune members, while corruption, theft, speculation, profiteering, extravagance, waste and feudal superstition find no support. All the people of the village pay attention to civility and politeness, respect the old and take care of the young and help and accommodate each other. In the past few years, no civil lawsuits have been filed. No one has applied for an audience with the higher authorities to appeal for help and no fighting has been reported. A new mood of socialist civilization is prevailing everywhere.

The people of Liuzhuang are united as one in building socialism. The lofty ideal of taking the socialist road is remarkably expressed in their correctly handling the relationship between the interests of the state, the collectives and individuals. Liuzhuang is located in an area where grain and cotton are the main crops. According to the state's planting plan, it is to plant 1,000 mu of cotton and 800 mu of grain crops each year. In order to ensure fulfillment of the state purchasing plan, it did not reduce even 1 mu of land to plant cotton when the people there had difficulties in their livelihood; and after the price of cotton was raised, it did not reduce even 1 mu of land to plant grain crops either. The comrades of the party branch said: The tasks of selling grain and cotton assigned by the higher authorities are based on the needs of the overall situation. We cannot care only about our own interests at present and disregard the needs of the state. Our small family--Liuzhuang--cannot be separated from the big family--the state. In selling agricultural and sideline products to the state over the past 20 years or more, the Liuzhuang brigade has sold a large amount of surplus grain, cotton, oil, meat, eggs and other agricultural and sideline products in addition to fulfilling the state purchasing tasks. It has never sold its cotton or grain to brokers.

The noble socialist virtues of the people of Liuzhuang are also concentratedly expressed in their upholding and developing the revolutionary spirit of self-reliance and hard struggle. In the course of developing production, their foothold has always been their own strength. The comrades of Liuzhuang said: "We can only depend on our own hands to get rich. If we depend on outside help to become rich, our wealth will not last long. The more we depend on outside help, the lazier we will become and the more we depend on outside help, the less aspirations we will have. A lazy person cannot be a pioneer!" As early as in 1956 when the advanced agricultural producers' cooperatives were formed, Liuzhuang suffered from a serious flood. The wheat decayed and the output of autumn grain dropped. While summing up experiences and lessons, the Liuzhuang party branch organized the commune members to provide for and help themselves by engaging in production, to plant vegetables, to develop sideline production and to gather grass in order to provide food for the people and the horses. This set the people's minds at rest and helped the commune members see the strength of the collective and the superiority of socialism. After production was developed and their livelihood became well-off, they still depended on the spirit of self-reliance and hard struggle in doing pioneering work and blazing new trails. When they developed animal husbandry in 1964, they endeavored to get more done with less money. They spent 90 yuan to buy 3 milk cows and increased the number mainly by breeding their own animals. At present, the number has increased to 110 and the value of their cows amounts to 130,000 yuan. Later, they bought 27 mares from Xinjiang and also increased their number by breeding their own animals. At present, the number of livestock is 320, and the annual income from animal husbandry alone may reach over 200,000 yuan. The cadres and the masses of Liuzhuang also display a valuable spirit of assiduity in developing industry and sideline production. In 1975, the horn of Liuzhuang's tractor broke and they were not able to buy a new one. The brigade repair plant set out to make a horn themselves. They removed the old horn, dismantled it and put it together again and again in order to study it. They continued to improve their process and after half a year's efforts, they finally succeeded in producing a horn on a trial basis. Later, they not only were able to satisfy their own needs but also were able to produce horns in large quantities and to supply markets in 20 provinces. This kind of product alone brings in an annual income of 400,000 to 500,000 yuan. The production of horns has greatly enhanced the development of industry and sideline production in Liuzhuang. In developing production, Liuzhuang does not depend on outside help. In improving the living conditions and in building a new countryside, it depends even more on the people's own hands to do difficult pioneering work. To build residential houses, Liuzhuang needed over 10 million bricks, 2,400 cubic meters of wood, an investment of 1.5 million yuan and over 300,000 work days. It resolutely refused to ask the state for help. It did not depend on the help of others. Nor did it ask the commune members to bear the expenses. The people of Liuzhuang made bricks, gathered materials and constructed doors and windows themselves. They did not have enough people skilled in house building; so, people improved their skills and trained others while they worked. In 50 days' time, they completed the first house. In the beginning, only 1.5 men were skilled at brick laying, tiling and plastering. Later, 150 persons were able to do so, of which 90 were women. The number of carpenters was increased from 6 to 30. In this way, a new residential area was built within 6 years. This has not only created material wealth for Liuzhuang's future generations but also left behind for them the valuable spirit of struggling hard in doing pioneering work.

3. Strengthening the Party's Own Building and Giving Full Play to the Role of a Fighting Bastion of the Party Branch Is a Fundamental Guarantee to Liuzhuang's Incessant Progress

The comrades of the Liuzhuang party branch said: "If one is not really up to the mark, nobody will listen to him." In the course of continuously strengthening the party branch, they have set up and amplified seven systems step by step: One is the system of democratic life meetings. Each month, the party groups hold one democratic life meeting to carry out criticism and self-criticism, and members of the branch committee lead dual organizational lines. Within the party, they set high and strict political and ideological demands for party members. They frequently check the situation of the party members and give them as much help as possible. Second is the system for study and party lecture education. Each month, the party branch holds one meeting of all its members at which it gives party lectures, helps its members to study current affairs and policies and educate them with the party's basic knowledge and the party's fine traditions. Third is the system of having heart-to-heart talks. The secretary, committee members and party members often have heart-to-heart talks to exchange views and to reflect the demands of the masses. Fourth is the system of party members forming ties with households. Besides doing a good job in the ideological and political work of their own families, each of the 68 party members have formed ties with 2 to 3 households of commune members in order to publicize to them the party's principles and policies and to help the commune members manage their families democratically and carry out family ideological work properly. The party groups and branch committee regularly listen to party members' reports on their mass work. Fifth is the system of assessing party members and the party branch twice a year. Sixth is the system of examining party members. This is linked with activities of striving to become advanced and fine party members. A preliminary examination is made in the middle of the year and a final one at yearend. This is for summing up advanced experiences and for commending the advanced. Seventh is the system of reelecting the party branch regularly. The party branch is reelected once a year. Among the 17 party branch committee members at present are former cadres from the land reform period who have rich experience, middle-aged cadres who were already cadres when the agricultural cooperatives or the people's communes were set up and young cadres who have been trained in the past few years. The oldest is over 50 years old. Most of them are 30-40. The youngest is 27.

The members of the party branch consciously accept supervision by party members and the masses, set strict demands on themselves in line with criterion of party members and set an example in all respects. They have made a few simple rules to be observed by all concerned, namely, not seeking privileges, taking the lead in work, linking their hearts with those of the masses and uniting with them in one mind. Old secretary Shi Laihe of this party branch set an example for the rank and file. After being secretary of the county and even the prefectural CCP committee, he still continues to work and always has the well-being of the masses at heart. There are six big elm trees in his courtyard. One woodworking team of another brigade offered him 2,700 yuan for them, but he refused. Instead, he sold them to his own brigade for 1,500 yuan to be used for house building. Deputy secretary Li Anren, known as a willing ox among the masses, takes the initiative in all work and thinks of the masses at every crucial moment. For years, no cadres have borrowed public grain or asked for allowances. On rainy days or holidays, when commune members do not work, cadres do not record workpoints. At the end of the year, the average distribution of income for cadres is usually lower than that of corresponding workers by 5-10 percent. Cadres often take the lead in building new houses, but they are always the last to move into these houses. To this, the masses said: Cadres are racking their brains for us; we cannot help but work hard with one heart and one mind. While all members of the party branch are setting examples in all aspects, all ordinary members strive to be models. In building the new village, at first there were no bricklayers. Female party members Liu Quiying and Shi Shilan took the lead in climbing up the scaffolding to learn how to do it themselves. As a result, the first group of female bricklayers appeared in the village. In order to learn how to operate lathes well to improve the quality of products, young party member Shi Shiling asked for advice with an open mind and made time for self-study. He finished all his university courses within 3 years and has become an expert in both mechanical and electrical designing and operation. At the end of last year, the party branch of the brigade called on the masses to assess all party members. In the appraisal, 16 of 17 members of the party branch were selected model cadres and 64 of 68 party members were assessed as outstanding party members--the remaining 4 were old and weak or had been temporarily transferred to work elsewhere. Eight party members were also chosen as pacesetters on various fronts.

Over the past 30 years or more, the party branch of the Liuzhuang brigade has stood relatively fast and firm because of its solid construction and close unity with the masses. It has stood tests of political storms and waves in society, but it also has time and again repelled attacks by evil tendencies. Last summer, one purchaser bought 5 tons of rubber from the south, which at that time was in short supply in Henan Province. If the 5 tons of rubber were sold to Henan, the collective immediately could make a profit of 4,000 yuan. When the purchaser explained the situation to the party branch, all members uniformly pointed out: Rubber is a state monopoly purchase item. If we transport it for sale for personal reasons, this will be tantamount to undermining socialism. Liuzhuang will never take this ill-gotten money. Consequently, they made a decision to return all the goods.

In spite of achievements, all members of the party branch of Liuzhuang brigade still set high demands on themselves in line with party's requirements and the level of advanced units in the country. They do not think that they have done enough, but think they still have far to go. In spite of repeated commendations and encouragement from the superior levels, they always believe that they have done what they should and all achievements must be attributed to the party and the people. On the eve of the last Spring Festival RENMIN RIBAO published the report on Liuzhuang brigade. The masses of Liuzhuang were greatly inspired. Beginning on 3 January of the lunar calendar the party branch held a series of consecutive meetings among its members, ordinary party members, cadres and the masses in order to determine where they have fallen short, even though they have achieved success, and to try to tap their potentials. The cadres and the masses held identical views: The economic results in production are not so satisfactory; improvement is still needed in some spheres of management. More potentials can be tapped in utilizing land and facilities. In particular, the party organizational building as well as political and ideological work cannot properly meet the needs of the general tasks in the new situation. There is a big gap between the cultural life and technical level of commune members as well as the demands of building modernization of agriculture. With this in mind, they immediately mapped out plans and adopted measures with a resolution in response to the call of the party Central Committee in order to achieve new victory in the building of material and spiritual civilizations and to make greater contributions to the country.

The example of Liuzhuang shows that if our policies are correct and there is a good leading group in the rural grassroots units, and if we really insist on carrying out the production responsibility system according to local conditions and do a solid job of grasping production planning, our agriculture will indeed be full of vigor and have a bright future!

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EMANCIPATION OF PHILOSOPHY AND STUDY OF PHILOSOPHY

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[Article by Liang Zhao [2733 6856] and Tan Sizhe [6223 1895 0772]]

[Text] Emancipation of philosophy is a correct thinking formulated by Comrade Mao Zedong in the protracted revolutionary struggle. Since the founding of the PRC, emancipation of philosophy has played an important role in promoting the broad ranks of cadres and the masses to study Marxist philosophy. However, there were deviations in practice. Under the new historical conditions, there are different views on the study and propaganda of philosophy and on whether or not we should uphold emancipation of philosophy. Regarding this question, we held that it is necessary to carry out discussions in the manner of seeking truth from facts and correctly sum up experiences so as to arrive at a unified understanding.

Generally speaking, there are two interpretations for emancipation of philosophy. First, the emancipation from the yoke of the old system of philosophical thought and the creation of a new philosophical thought. Second, the emancipation from classrooms and textbooks, so that philosophy will become a great tool for the broad masses of the people to understand and transform the world. The emancipation of philosophy mentioned by Comrade Mao Zedong was of the latter type. Early in 1942, Comrade Mao Zedong pointed out: "To oppose subjectivism, we must advocate materialism and dialectics." ("Selected Works of Mao Zedong," Vol 3, p 785) In 1957, at the meeting of Communist Party and Workers' Party representatives in Moscow, Comrade Mao Zedong said: "Dialectics must proceed from the circles of philosophers to the broad masses of the people." Later, he further pointed out: "Let philosophy be emancipated from the classrooms and textbooks of philosophers and become the sharp weapon of the masses." This is an important contribution of Comrade Mao Zedong to Marxist philosophy.

Originally, the emancipation of philosophy was in itself a requirement of Marxist philosophy. Before the birth of Marxism, philosophy was separated from the working people. However, since the proletariat became an independent force on the historical scene, in order to oppose the capitalist system and fulfill the historical mission of emancipating the whole of mankind, it needed its own philosophy to serve as a weapon for understanding and transforming the world. As Marx said: "Philosophy treats the proletariat as its material weapon, likewise, the proletariat treats philosophy as its spiritual weapon." ("Selected Works of Marx and Engels," Vol 1, p 15) The birth of Marxist philosophy suits the proletariat's needs of understanding and transforming the world. Its birth has realized the great transformation of philosophy and put an end to the situation of philosophy being opposed to the laboring masses.

Emancipation of philosophy is also demanded by the people of our country for carrying out revolution and construction. After the victory of the October Revolution, Marxism-Leninism spread to China. The progressives used dialectical materialism and historical materialism as tools to study the fate of our country and our nation. They understood that we must follow the path of the Russians. However, since the situation in our country was special, shortly after the founding of our party, the party led the people to plunge into a protracted arduous armed struggle and in this situation, many comrades could not carry out in-depth and systematic studies of Marxist theory. Therefore, they did not have sufficient understanding of theories and because of this, our party made several mistakes in guiding ideology. There was the rightist capitulationism during the period of the great revolution. During the second revolutionary civil war, we were bogged down in "leftist" adventurism, in particular the errors of Wang Ming. We nearly ruined the Chinese revolutionary cause. From the point of view of understanding the root cause, these errors occurred mainly because subjective views deviated from the objective situation and our thinking did not conform with the actual situation. At that time, many comrades of the party did not realize these errors. On the contrary, they themselves also committed the same mistake. The negative experiences of history have taught us that if we do not study Marxist theory and understand Marxist philosophy, we will not be able to guarantee that the revolutionary cause will advance heroically along the correct path.

In view of the above situations, after the Red Army arrived in northern Shaanxi on the Long March, Comrade Mao Zedong started to promote the study of philosophy and mobilized the whole party to seriously sum up the historical experiences. Comrade Mao Zedong himself organized philosophical study groups and under his guidance, a new society of philosophy was established. He also gave philosophical lessons in the Anti-Japanese Military and Political University in Yanan and aroused the students to use philosophy as a weapon to analyze the problems of the Chinese revolution. Under the advocation of Comrade Mao Zedong, the study of philosophy became common practice among the cadres, in particular, senior cadres in Yanan. In 1942, Comrade Mao Zedong led the Yanan rectification movement. He used Marxism-Leninism to teach the broad ranks of cadres to oppose subjectivism, factionalism and stereotyped party writing then prevailing inside the party, and to expose and criticize the "leftist" or rightist errors in the history of the party, in particular, the "leftist" adventurism of Wang Ming. As a result, the thinking of the party was unprecedentedly unified and this laid a firm ideological foundation for the final victory of the war of resistance against Japan and for the establishment of new China. This rectification movement was, in a sense, a profound emancipation of philosophy.

Since the founding of the PRC, our country has made the transition from new democratism to socialism. In an economically backward country like ours, how to carry out socialist reform and construction in accordance with the actual situation of our country is a new issue for the broad ranks of cadres in terms of theory and practice. Although the theoretical level of the cadres had improved, in general, they could not meet the demands of the situation. In order to improve the theoretical standard of the cadres, the CCP Central Committee and Comrade Mao Zedong stressed the study of Marxist philosophy and demanded them to use the stand, viewpoints and methods of dialectical materialism to analyze and sum up the new experiences of socialist revolution and construction. Comrade Mao Zedong said: "The basic thing is Marxist philosophy. If we do not have a thorough understanding of Marxist philosophy, we will not have any common language and methods. Then, we will not be able to understand each other. If we have the thinking of dialectical materialism, we can save much effort and avoid many mistakes." ("Selected Works of Mao Zedong," Vol 5, p 145) At that time, the broad ranks of cadres actively responded to the call of the CCP Central Committee and Comrade Mao Zedong. They diligently studied Marxist philosophy and the philosophical works of Comrade Mao Zedong. The study was also launched among some workers, peasants and PLA fighters. In the course of the study, the philosophical workers did a lot of work.

In retrospect, the achievement of the broad ranks of cadres and the masses was primary and outstanding. Many cadres had studied the principal Marxist philosophical works in a relatively systematic manner and had a preliminary understanding of the basic principles of dialectical materialism and historical materialism. In particular, many comrades had studied "On Practice" and "On Contradiction" and used the basic viewpoints to analyze the practical problems of socialist construction in their local districts and units. They used the viewpoint of the unity of opposites to observe and handle various contradictions in their work. In practice, they continued to improve their understanding of objective matters and scored very good results in solving many difficult problems. In the course of the study, integrating with their actual situations, some comrades wrote many vivid and impressive articles to describe their personal experiences. All this played a positive role in the socialist construction in our country.

We must point out that Comrade Mao Zedong took dialectical materialism as the thinking and working method for practical work which should be comprehended by the broad ranks of cadres and the masses as a very important aspect of the emancipation of philosophy. In accordance with the viewpoints of dialectical materialism, he devised a system of scientific methods to ensure the successful realization of all tasks, such as upholding the theory of two points; looking at questions from an overall point of view; from the masses, to the masses; distinguishing the principal aspects from secondary aspects; walking on two legs; grasping the two ends to bring along the middle; dissecting a sparrow; learning how to play the piano; having a good idea of how things stand; allowing for unforeseen circumstances and paying attention to the fact that one tendency conceals another. Thus, the skills and standard of leadership of our party's cadres were further promoted. This is what Comrade Mao Zedong did to enrich and develop Marxist philosophy.

It cannot be denied that there are deviations in the course of implementing emancipation of philosophy and organizing study of philosophy. There are many complications. In our view, there are two major questions:

First, the tendency of formalism. At that time, people in some places disregarded the existing conditions and the will of the masses, and compelled everybody to study philosophy by hard and fast rules. The masses in some places were gathered to study several philosophical quotations and philosophical terms, and this was regarded as mass study of philosophy. People in some places regarded the number of participants in philosophical classes as the criteria to appraise the political understanding of the masses. Such formalistic practice was in fact fraudulent practice which seriously undermined the reputation of the emancipation of philosophy.

Second, the tendency of simplification and vulgarization. At that time, instead of carrying out scientific analysis and practically solving practical problems, some people treated philosophical concepts as labels and stuck them everywhere without discrimination. Some of them rigidly associated study of philosophy with some scientific and technological creations, inventions and discoveries, and said that they were achievements of Mao Zedong philosophical thought in disregard of the actual situation. Others mechanically applied strategic and tactical thinking to medical science without specific analysis. Obviously, this is not genuine integration of theory with practice, instead this is a manifestation of simplification and vulgarization.

Why should there be the above-mentioned deviations? We must analyze them in association with the historical background at the time. After socialist reform has been basically completed, our party led the people of all nationalities in our country to launch a large-scale socialist construction. Since we did not understand the law of economic development and the basic situation of the Chinese economy, and since we were conceited and arrogant in face of victory, we were overanxious for success in economic aspects and promoted the "Great Leap Forward" in disregard of the actual situation in an attempt to change the impoverished and backward situation in our country within a short period of time. Such thinking was also reflected in the emancipation of philosophy. As we all know, Marxist philosophy is a science. To grasp its essence, we must work very hard. In particular, we must work arduously and carry out serious thinking by adopting a philosophical viewpoint to analyze the actual situation and solve practical problems. However, to some people, the study of philosophy is an easy task, and achievements can be scored without much effort. Under the influence of such thinking, some unhealthy phenomena emerged in the course of studying philosophy. At that time, the relevant departments of the CCP Central Committee recognized the above-mentioned deviations and issued documents to demand the cadres and the masses to correct their incorrect methods of studying philosophy. However, during the "Great Cultural Revolution," Lin Biao, Jiang Qing, Kang Sheng and their cronies turned things upside down and declared the criticism as a crime of "anti-Mao Zedong Thought." In this way, not only were deviations in the study of philosophy not corrected, but they were taken to extremes by Lin Biao, Jiang Qing, Kang Sheng and their cronies, to the extent of being absurd.

Do these deviations indicate that the orientation of emancipation of philosophy is incorrect? Certainly, they do not. This can only indicate that we have not done a good job of integrating philosophy with practice. Such situations are very common in actual life: Although the policies and principles of a certain project are correct, since we do not have a thorough understanding of them, or because we do not have a thorough understanding of the objective reality, or because of subjective, one-sided and superficial thinking and working methods, we may achieve opposite results. Therefore, we must make serious and specific analysis of the deviations in our work. We must make clear whether they are problems of policies and principles or problems arising from errors during the execution of the policies and principles. It is obvious that we must not simply put all the blame on the orientation of the emancipation of philosophy when dealing with the deviations of the cadres and the masses in the course of studying philosophy. The orientation of the emancipation of philosophy must not be negated. Otherwise, this will result in negating the historical mission of Marxist philosophy and the use of Marxist philosophy as the sharp weapon for the proletariat and the revolutionary people to understand and transform the world.

At present, we are faced with the great task of building a modern, highly democratic and civilized powerful socialist country. Due to the 10 years of internal disorder, the theoretical studies of the broad ranks of the masses were stopped and many theories were confused. The young generation does not have any understanding of Marxist theories. The dialectical materialist work methods and work style of our party were sabotaged by Lin Biao and the "gang of four." In order to shoulder the historical responsibility, we must correctly sum up the past experiences, further study Marxist philosophy, Mao Zedong Thought and have a genuine understanding of the sharp weapon of dialectical materialism and historical materialism. We must uphold and exemplify the past practice of integrating theory with practice, and do a good job of preventing formalism, simplification and vulgarization, so that everybody will seriously study theories from textbooks, comprehend the stand, viewpoints and methods of dialectical materialism and historical materialism, and integrate the actual situations of the local districts and units to solve the new situations and problems in the course of the four modernizations.

Some comrades say, "Since the current policies and principles of the party are correct, it will be all right if we adhere to them. Why bother to study philosophy?" This is obviously a confused idea. Since the 3d Plenary Session of the 11th CCP Central Committee, that the party's line, principles and policies are correct, that they conform to the actual situation of our country and the will of the people and that they display great power, lie on the fact that they are founded on the basis of dialectical materialism and historical materialism. If we do not study philosophy, it is obvious that we can neither have a profound understanding of it nor be able to correctly implement it. If we can master philosophy and ponder problems from the world outlook and methodology of dialectical materialism, we will be able to get rid of some narrow views and grasp the essence of the party's policies and principles from a unified subjective and objective point of view and integrate them with the actual situation of the local districts and departments, so as to score better achievements.

Some comrades held: Study of philosophy is too vague and general and abstract. They would rather do some practical work than studying philosophy. As a matter of fact, we must do more practical work in the course of building the four modernizations. However, to do a good job of practical work, we must have a correct guiding ideology and a scientific working method. Philosophy is precisely a learning that teaches us how to do a good job of the practical work in the world outlook and methodological aspects. Seeking truth from facts, proceeding from the actual situation, and integrating theory with practice are the gist of Marxist philosophy and a prerequisite for doing well in all tasks. To succeed in any task, we must not deviate from this basic thinking. If we do not proceed from the actual situation of the local districts and units and randomly make suggestions in disregard of the objective conditions, we are sure to run into a stone wall. Therefore, if we do not study Marxist philosophy and do not understand its stand, viewpoints and methods, we will not be able to achieve our aim although we want to do some practical work. Frankly speaking, philosophical theories are comparatively abstract and generalized. However, past experiences have proven that if we work hard to understand the basic viewpoints of philosophy, and use them to analyze the practical problems arising in the course of socialist construction, philosophical theories are very concrete and practical. In other words, mastering philosophy is not something unattainable.

Some comrades are worried that upholding emancipation of philosophy will hinder us from deepening our understanding and that the standard of academic studies will be lowered. Such worries are unnecessary. The main tasks for the study of philosophy are to integrate the current actual situation with the study of new problems and new situations in the course of the socialist movement and socialist modernization. In accordance with the basic theories of Marxist philosophy, to give some scientific and simple explanations for the actual current situations is an unshirkable duty of every professional worker of philosophy. Real life poses many new problems for us; theoretical workers are compelled to carry out in-depth analysis and give scientific answers. However, we have not done enough in this respect. Up till now, there are not too many articles and works that profoundly analyze and explain the new situation and problems that emerge in the course of building the four modernizations from the high plane of philosophy. This shows that the study of philosophy does not conform with the requirement of the four modernizations. Thus, we must work harder. This is the requirement of the emancipation of philosophy and that of the study of philosophy.

We do not have any experience in carrying out socialist modernization in our country. It is necessary for us to understand the world outlook and methodology of dialectical materialism and historical materialism so that our understanding will conform with the objective reality and our cause will effectively and steadily develop. Only if we do a practical hard job, will we be able to score good results in the study of philosophy. Hence, we will be able to make greater contributions to the socialist modernization.

CSO: 4004/40

SHOUT ALOUD FOR THE WORK OF GATHERING MATERIALS--FOREWORD TO THE BOOK 'DISPUTED PROBLEMS IN SOCIALIST ECONOMIC THEORY'

Beijing RED FLAG in Chinese No 12, 16 Jun 82 pp 30-31

[Article by Mao Zhongyang [7456 0112 2254]]

[Text] While publishing "Disputed Problems in Socialist Economic Theory" as a reference book, apart from extending my respects to the comrades who have put in a lot of work into gathering materials, editing and publishing this reference book, I would like to say something which I have wanted to say for a long time concerning the work of gathering materials. Since I want to stress the work of gathering materials, I call it shouting aloud.

One very important but also very weak link on our ideological and theoretical fronts is the work of gathering materials. Once we start with our study, in whatever field or problem, the problem of material will confront us in a glaring way. Marx said: "To study, we must fully possess materials, make an analysis of its various forms of development and probe the internal relations of these forms. Only when this work has been completed, can the actual movement be appropriately described." ("Collected Works of Marx and Engels," Vol 23, p 23) Without materials or without possessing large quantities of materials, how can we conduct our study and research? How can we avoid indulging in empty talk? Materials are the basis for scientific research and also the basis for propaganda work. They are the indispensable raw and semifinished information for all intellectual products. Intellectual products without raw or semifinished materials are like water without a source; like a tree without roots. Although they bear every conceivable name, they are nothing but castles in the air. In order to really ensure that our ideological and theoretical fronts meet the demands of the four modernizations program, it is necessary, first of all, to do a solid and practical job in the work of gathering materials. This work is not only the basis for research work and propaganda work but also the frontline and logistics of all struggles led by our party and also the source and guide in carrying out the various aspects of our work. This appropriately reflects the position and role of the work of gathering materials, and is not just an exaggeration.

However, quite a few comrades in some of our scientific research and teaching units and other units lack a proper understanding of the position and role of the work of gathering materials and as a result, they have adopted inappropriate work styles. Some units put the work of gathering materials in an unessential place. The setup of organizations and the assignment of personnel are less than perfect and inappropriate. Some units only manage to do some work of receiving and disseminating as well as preserving materials and they even fail to do a good job in this work. Some units also regard those organs which gather materials as the collecting points for housing idle personnel and let those who are not occupied "undergo a transition" there! Still other units use the money intended for subscribing to newspapers and books and periodicals for other purposes in order to "practice thrift." This phenomena warrants serious attention. In order to practically and effectively carry out the modernization program of our motherland and build a highly developed material civilization and spiritual civilization, it is vital to have reliable and sufficient materials as the foundation. We have paid too high a price for this and have profound lessons to draw from it. We must not commit such idealist follies any more and must no longer tell lies, brag or indulge in empty talk. If no serious changes are effected and no strong measures are adopted on this matter, how then can we say that we are implementing the principle of seeking truth from facts?

The work of gathering materials is a difficult job requiring arduous efforts. It requires not only diligent and conscientious efforts but also firm and indomitable willpower and the spirit of not minding the effort and gradually accumulating materials for a long time and also the spirit of serving other people enthusiastically and conscientiously on one's own initiative. Those who drift along aimlessly, seek an idle life, are afraid of trivial matters and impatient as well as crude and careless will be unable to gather materials well, and those who crave for fame and are pretentious and unwilling to serve others will also be unable to do the work of gathering materials well. The value in material lies in its ability to be accumulated, complete and systematic. We must not go fishing for 3 days and dry the net for 2 and not be prompted by sudden impulses and do things as the heart desires. Materials should be abundant and complete. Furthermore, they should be gathered and explored selectively with a definite purpose and stress different key points. At the same time, materials should be constantly processed, sorted out and improved so as to make it convenient to use. In regard to the use of materials, one must not imagine that every piece of material can be put to instant use on finished products. The so-called shooting with unfailing accuracy is not the goal and demand of the work of gathering materials. So long as some of the vast material we have gathered for a long time is useful, and even if specific pieces are useful, or useful for a short while, our work can be regarded as successful. The work of gathering materials is a kind of capital construction. Materials are the storage of spiritual wealth. The work of gathering materials itself cannot determine when or how much of the materials will be used. We must not approach this matter in a shortsighted way.

The work of gathering materials requires being practical and realistic. Gathering materials in a subjective and one-sided way will have extremely harmful consequences. This problem remains fresh in our memory from experience. We must not repeat those mistakes. Of course, materials and particularly social materials are always processed by people. Any processing and sorting out of materials will bear the mark of the ideology of the processors and the mark of our times. Thus, the original natural appearance is lost and the materials cease to be an objective accumulation. However, upholding the principle of seeking truth from facts and subjective prejudice are two entirely different things. It is wrong to confuse them.

Some people do not understand the true relationship between the work of gathering materials and research work and frequently underrate the former and stress the latter. This is wrong. It is well known that in writing his "Das Kapital," Marx read more than 1,500 books and extracts and the notes he made on them equalled more than 100 books; in order to write his "Imperialism Is the Highest Stage of Capitalism," Lenin gathered huge amounts of materials and made a lot of notes. All this data was included in the "Collected Works of Lenin," Vol 39. These facts prove that Marx and Lenin were both models for research workers and also models for workers engaged in the work of gathering materials.

Although some people have various misunderstandings about the work of gathering materials, no one denies the extreme importance of materials to the building of our material civilization and spiritual civilization. The comrades engaged in the work of gathering materials are indeed arduous workers, unknown to the public. This is not an undertaking which amazes the world with a single feat. People very often will admire how certain engineers display their talents before a magnificent building, but few people care who actually built it with their craftmanship and wisdom. On what buildings on earth have the names of the builders ever been engraved? I have no intention of belittling the role and position of the engineers and of asking that the workers and engineers be listed together as "starts" who are treated equally by the people. What I hope is that while giving publicity to the well-known heroes, we never forget those unknown heroes!

At present, our work of gathering materials is still very weak. This is the common feeling of every person who uses materials. Therefore, strengthening the work of gathering materials has become a common demand of many comrades. It is startling how few reference books and periodicals we have published. This state of affairs must not be allowed to continue. Time means life. One effective method for putting an end to the backwardness in our culture and work is to start with the work of gathering materials. Being aware of the importance of this matter to our ideological front, I have aired my views. If they are wrong or inaccurate, I look forward to your--fellow comrades--criticism and corrections.

CSO: 4004/40

DIMITROV AND THE CHINESE REVOLUTION

Beijing RED FLAG in Chinese No 12, 16 Jun 82 pp 32-35

[Article by Ma Xipu]

[Text] This year will witness the 100th anniversary of the birth of Georgi Dimitrov, outstanding activist of the international communist movement and leader of the Bulgarian people. Dimitrov devoted his entire life to the struggle for peace and the socialist cause, and thus won the love and respect of the laboring people all over the world.

The Chinese people are familiar with and respect Dimitrov not only because he exposed Nazi Germany's conspiracy of masterminding the Reichstag fire and shifting the responsibility to communists in the world-renowned Leipzig trial, but also because he showed deep sympathy and extended enthusiastic support for the Chinese people's revolutionary struggle.

Dimitrov was born into an ordinary laboring family on 18 June 1882. He became active in revolutionary activities when he was 15 years old. After the defeat of the September armed uprising launched by the Bulgarian people under his leadership, he was exiled from his country. He was active in the international arena after that. Leading the life of a professional revolutionary, he was engaged in labor movements under the Federation of the Communists of Balkan Nations and the West European section of the Comintern.

The 1930's was a decade which people all over the world will never forget. In 1933, Hitler established fascist dictatorial rule in Germany. During the period from 1936-1937, Germany, Italy and Japan formed the fascist alliance. They carried out even more wanton acts of aggression and expansion, and eventually launched World War II, which brought about tremendous disasters to the peoples throughout the world.

In 1931, the Japanese imperialists caused the "September 18th incident" and forcibly occupied the four northeastern provinces of China. They stepped up preparation for an overall aggressive war against China, and tried in vain to turn all of China into a colony of Japan. In the face of imperialist aggression, the Kuomintang government adopted the policy of nonresistance and carried on the counterrevolutionary principle of expanding civil war and slaughtering the Chinese communists and the Chinese people.

Meanwhile, under the leadership of the CCP, the masses of people from all levels of society in China called for stopping the civil war and uniting to resist the Japanese invaders. In January 1933, the Soviet Provisional Central Government of China and the Revolutionary Military Committee of the Chinese Workers' and Peasants' Red Army jointly published a manifesto, offering to make an agreement with the Kuomintang troops of various factions on the resistance against Japan based on the following conditions: stopping the attack on revolutionary bases; safeguarding the people's democratic rights; and arming the people. In 1934, the CCP again put forward the "Six Major Programs to Resist Japan and Save the Nation." On 1 August 1935, the CCP Central Committee issued a manifesto, appealing to the compatriots of all strata and all parties throughout the country to pull together all resources to carry out the movement of resisting Japan and saving the nation. All these actions show that the CCP was beginning to adopt the new policy of establishing an extensive anti-Japanese national united front.

The anti-Japanese struggle of the Chinese people and the experiences obtained by the CCP drew Dimitrov's close attention. After his victory over Nazi Germany in Leipzig, Dimitrov was elected to the Presidium of the Executive Committee of the Comintern in May 1934, and held the post of secretary general of the Comintern during the period 1935-1943. While engaged in international revolutionary activities, he always kept abreast of the progress of the Chinese revolution through various channels, and paid close attention to and enthusiastically supported the revolutionary struggle of the Chinese people. Under his direction, the Presidium of the Executive Committee of the Comintern often held meetings to study and discuss the problems concerning the Chinese revolution, and in particular the Chinese people's struggle against the Japanese invaders. Dimitrov introduced the experience of the Chinese revolution at the Comintern meetings, cheered every success of the Chinese people, and appealed to the proletariat and peoples of all countries to strongly support the Chinese revolution.

During the preparation for and in the course of the Seventh Congress of the Comintern in 1935, Dimitrov summed up the experiences learned from the activities of the French people's front, the Spanish revolution and the labor movement in Western Europe, as well as the experience of the Chinese people in their struggle against the Japanese invaders. Based on this summation, he put forth the slogan of establishing a proletarian united front and the people's antifascist front in imperialist and capitalist countries, and an anti-imperialist united front in colonial and semi-colonial countries.

When discussing the questions concerning the "anti-imperialist united front" and "united front government" in his report made at the Seventh Congress of the Comintern, Dimitrov repeatedly referred to the experience of the Chinese revolution. He pointed out that the solution to the problem of establishing a united front in Brazil was different from that in India, China and other countries because the conditions for carrying out revolutionary struggles, the degree of maturity of the national liberation movement, and the role of communist parties in the revolutions were different in various colonial and semicolonial countries. The local characteristic in China was that the national liberation movement was flourishing there, as soviet bases had arisen in some parts of the territory, the powerful Workers' and Peasants' Red Army had been organized, and the CCP had undertaken the establishment of the anti-Japanese national united front. ("Collected Works of Dimitrov," Sofia, 1954 edition, Vol 10, pp 99-100) Dimitrov commended the Chinese revolution as having brought hope to the national liberation movement of colonial and semicolonial countries. In his speech delivered at the close of the congress, he said: "Today the peoples of all colonial and semicolonial countries no longer regard their struggle for liberation as a hopeless cause. On the contrary, they are more and more resolutely engaged in the struggle against the imperialist enslavers. The best proof of this is the Chinese people's struggle and the Chinese Red Army's heroic deeds." ("Collected Works of Dimitrov," Sofia, 1954 edition, Vol 10, p 182)

Just for this reason, at this grand gathering of the Comintern, Dimitrov declared on behalf of the revolutionary proletariats of all countries that he wholeheartedly subscribed to the proposal of the CCP on establishing an anti-Japanese national united front; he denounced the Japanese bandits' savage invasion and the Kuomintang government's traitorous activities, and appealed to the revolutionary peoples of all countries to provide the Chinese people with moral and political support. He solemnly announced: "We subscribe to the proposal by our courageous fraternal CCP on uniting with all organized forces within the territory who are willing to join and are actually engaged in the struggle of saving the country and the people so as to form a most extensive anti-imperialist united front opposing Japanese imperialism and its Chinese agents." He also said: "We extend our warm and fraternal greetings to all soviets in China and to the revolutionary Chinese people. We extend our warm and fraternal greetings to the courageous and battle-tested Chinese Workers' and Peasants' Red Army. At the same time, we assure the Chinese people that we resolutely support them in their struggle to completely liberate themselves from the rule of all imperialist bandits and their Chinese running dogs." ("Collected Works of Dimitrov," Sofia, 1954 edution, Vol 10, pp 100-101) As soon as he paused, the audience stood up and broke out into thunderous applause. Dimitrov's speech profoundly embodied his own as well as all revolutionary peoples' militant bonds of friendship with the Chinese people, which strongly encouraged the CCP, the Chinese Workers' and Peasants' Red Army under its leadership, and the Chinese people, who were carrying out an extremely arduous and difficult struggle.

On 9 December 1935, under the guidance of the party, students in Beijing held a massive demonstration to resist the Japanese aggressors and save the country. On 25 December, our party convened a meeting of the Political Bureau of the Central Committee in Wayaobao of Shaanxi Province and adopted the "Resolution on the Present Political Situation and Our Party's Tasks," in which the strategic guideline for the anti-Japanese national united front was laid down. After the meeting, in elaborating this guideline, Comrade Mao Zedong pointed out that under certain conditions, the left wing of the national bourgeoisie and some people in the Kuomintang camp might unite with the workers and peasants in the struggle against the Japanese aggressors; therefore, "the task of the party is to form a revolutionary national united front by combining the activities of the Red Army with all the activities of the workers, the peasants, the students, the petit bourgeoisie and the national bourgeoisie throughout the country." ("Selected Works of Mao Zedong," Vol 1, p 137)

In June 1936, in an article which he wrote for the Comintern to commemorate the 15th anniversary of the CCP, Dimitrov enthusiastically commented that "the CCP is a real Bolshevik party." He pointed out that "the reason why the CCP could have developed into a mighty political force" was because it had maintained "deep-rooted ties" with the people. The party was devoting all its efforts to making itself "the vanguard in establishing the anti-Japanese national united front"; it was trying to unite with the people throughout China, and to cooperate with various political groups and military forces in the resistance against the Japanese aggressors. Dimitrov anticipated that the CCP, in establishing the united front, would encounter inside the party opposition from those "closed-doorists" and those "opportunist capitulators" who "were ready to give up the political and organizational independence of the party and the Red Army." He believed that the Chinese party would surely be able to overcome these difficulties inside the party. In conclusion, he appealed to the proletariats of all countries to actively support "the Chinese people who were carrying out the struggle for liberation," and to oppose the Japanese and German fascists who were the common enemies of the Chinese people and the people throughout the world. ("Selected Works of Dimitrov," Liberation Publishing House, 1949 edition, pp 241-244)

Those articles by Dimitrov on the Chinese revolution were compiled into a book entitled "The Struggle for Establishing the Chinese Anti-Japanese National United Front" which was published in 1937.

On 7 July 1937, the Japanese invaders launched an overall aggressive war in China. The Chinese people rose against the enemy and thus started the anti-Japanese war which lasted for the next 8 years. At home, while the masses of people who were united within the anti-Japanese national united front were undertaking the main tasks of resistance against the Japanese, the Kuomintang intended to surrender to the enemy by carrying out the policy of passively resisting the Japanese and actively opposing the CCP. Abroad, Britain, the United States, France and some other countries were encouraging Germany, Japan and Italy to do evil by continuing their appeasement policy toward the latter's invasion and expansion. Even inside the Comintern, some people were pessimistic about the future of the Chinese revolution. Facing such circumstances, Dimitrov resolutely stood on the side of the Chinese people. In July 1938, on behalf of the Executive Committee of the Comintern, he made the "Declaration To Give All-Out Support to the Chinese People in Their Struggle Against the Japanese Aggressors," devoting his efforts to urging world opinion to support the Chinese people's anti-Japanese war. ("The Comintern," Moscow edition, July 1938)

Dimitrov emphatically pointed out in his speeches and articles that both Europe and the Far East were equally important sources of war. He warned in good time that the Japanese occupation of the four northeastern provinces of China and the invasion of Abyssinia and Spain were steps taken by the fascists toward new and massive plundering wars. He questioned those Western countries which turned a blind eye to the Japanese bandits' invasion of China, asking: "Does the appeasement attitude toward bandits who are attacking the northern part of China not encourage the Japanese warlords, who are arbitrarily trying to enslave the great Chinese people? Does such encouragement not arouse our indignation?" ("Collected Works of Dimitrov," Sofia, 1954 edition, Vol 10, p 375)

As the fascists' offensive and the world war became more and more threatening, Dimitrov held that, in order to defend the world peace, "we first of all have to defeat the fascists' invasion plans in Spain and China," and defeat their conspiracy of launching a world war. And the task of top priority was to mobilize all forces to "drive the fascist aggressors from Spain and China as soon as possible." ("Collected Works of Dimitrov," Sofia, 1954 edition, Vol 10, pp 377-378)

Dimitrov set a high value on the Chinese people's anti-Japanese war. He said: "The great Chinese people who are united within the national united front are steadfast, brave and militant examples in the struggle against the savage Japanese invaders." ("Collected Works of Dimitrov," Sofia, 1954 edition, Vol 10, p 415) "The national liberation war against the Japanese imperialists carried out by the great Chinese people," he pointed out, "is not only a struggle to defend China's independence and integrity, but is also of tremendous help to the European people in their struggle against imperialism." ("Collected Works of Dimitrov," Sofia, 1954 edition, Vol 11, p 80)

Dimitrov had full confidence in the victory of the Chinese revolution. In the latter half of 1939, when recuperating in Moscow, Comrade Zhou Enlai elaborated to Dimitrov and the Executive Committee of the Comintern the situation of the anti-Japanese war and the CCP's strategy and policies of the anti-Japanese national united front. In February of the next year, on the eve of the day when Zhou Enlai, Ren Bishi, Deng Yingchao and other comrades left for home, Dimitrov gave a farewell banquet in their honor, and requested Comrade Zhou Enlai to send his regards to the anti-Japanese fighters on the battlefront and in the rear. He firmly declared: "I believe the victory of the Chinese revolution is in sight!" ("Ren Bishi," Hunan Peoples Publishing House, 1979 edition, p 210)

Following the victory of the worldwide antifascist war, the Bulgarian people overthrew the autocratic monarchy and established the people's political power on 9 September 1944. The Chinese people's anti-Japanese war also ended triumphantly in August 1945. However, with the backing of the U.S. imperialists, the Kuomintang reactionaries turned down the just demand for peace and democracy made by the whole Chinese people and the CCP, and subsequently launched the civil war against the people. In November 1945, Dimitrov returned to his motherland, Bulgaria, which he had left 22 years ago. He was appointed general secretary of the Bulgarian Communist Party and chairman of the Council of Ministers. At that time, Dimitrov was occupied with a myriad of state affairs and was working hard for the reconstruction of postwar Bulgaria. But he still showed great concern for the Chinese revolution.

On 19 July 1947, Dimitrov received a Chinese trade union leader who was visiting Bulgaria, and had a cordial and friendly conversation with him. Being deeply concerned for the Chinese people's struggle, he asked about the situation of the Chinese people's liberation war and the circumstances in the liberation zones. When he learned that the PLA had shifted from a strategic defensive to a strategic offensive and the party was trying hard to consolidate the extensive national democratic united front, he said: "The opinions of Comrade Mao Zedong are very correct. The peoples of all countries must learn from him! Uniting with all forces of the people to oppose the minority reactionaries has proved to be very correct!" ("Dimitrov, a Great Communist," Joint Publishing Company, 1950 edition, p 152) He had firm faith that the Chinese people, relying on the great patriotic unification, were bound to overthrow the reactionary rule of the Kuomintang. At last, Dimitrov emphatically affirmed that China had bright prospects; and that the victory of the Chinese revolution would add strength to the people's democracy and socialism, contribute to the struggles against imperialism and any new aggression, and have a great impact on international politics in the future. ("In Memory of Dimitrov," (No. Ganchovski) [0355 3927 0829 1133 2448 1015], Sofia, 1975 edition, Vol 1, p 487)

At the end of 1948, Dimitrov once again affirmed the worldwide significance of the Chinese revolution at the Fifth Congress of the Bulgarian Communist Party. He pointed out in his speech that the brave struggle which the Chinese people had carried out for years to attain independence and oppose imperialism and its agents in China was "of extreme importance" to the change in the balance of world power. "Under the strong and brilliant leadership of the CCP, the more than 1 million-strong Chinese PLA has already won a series of marvelous victories and defeated the Chinese reactionary military forces armed and subsidized by the U.S. imperialists. At present, this 1 million-strong army has already liberated the entire northeastern and northern sections of China and Inner Mongolia. It is now marching toward Chiang Kai-shek's capital Najing and will soon lay siege to the city." China's democratic force has crushed the reactionary force, "their final victory is a foregone conclusion, and it is only a question of time before final victory is achieved." ("Collected Works of Dimitrov," Sofia, 1955 edition, Vol 14, pp 305-306)

Dimitrov's anticipation of the Chinese revolution was realized very soon. Under the correct leadership of the CCP, new China eventually arose on the east horizon of the world on 1 October 1949. However, it is really regrettable that Dimitrov could never see or hear the victory of the Chinese revolution since he had passed away on 2 July that year.

The Chinese people have always highly respected Dimitrov. In the period of the anti-Japanese war, some works of Dimitrov had already been translated into Chinese and published as documents to be studied by cadres. Both

Comrade Mao Zedong and Comrade Liu Shaoqi appealed to the vast number of party members, especially the party's high-ranking cadres, to set the four standards for cadres put forth by Dimitrov (absolute loyalty, close ties with the masses, ability to work independently and observance of discipline) as strict demands on themselves. After the founding of new China, we translated and published some of his major works and some books on his revolutionary deeds.

Dimitrov's loyalty to the revolutionary cause of the international proletariat, and his sympathy and support for the Chinese revolution, have profoundly impressed the Chinese people. He was a faithful friend of the Chinese people.

CSO: 4004/40

CARRY OUT SYSTEMATIC THEORETICAL EDUCATION TO RAISE CADRES' POLITICAL QUALITY

Beijing RED FLAG in Chinese No 12, 16 Jun 82 pp 36-39

[Article by Commentator]

[Text] Marxism is a powerful ideological weapon for us to understand the world and change it. It is a guide for our party in formulating principles and policies and a science that every cadre should study. In the new historical period, we are confronted with the arduous task of building socialist modernization. This requires that cadres be proficient in vocational knowledge, otherwise they will not be able to work well. However, while having a good command of professional work, cadres must be systematically educated with Marxist theory. Only by so doing, will it be possible to raise the political quality of the cadre ranks so that all cadres will be able to adhere to the orientation of socialism and maintain the purity of communism in a complicated situation and will they be able to consciously carry out the line, principles and policies formulated since the third plenary session and to enhance their ability of analyzing the new situation and tackling new problems. This is a task of strategic significance.

At present, the theoretical level of cadres is rather inconsistent with the missions they are undertaking in building modernization. According to statistics, in some provinces and municipalities, only 18 percent of cadres have relatively systematically studied the basic knowledge of Marxism, 56 percent of them have arrived at a general understanding of it, and there are 26 percent of cadres who can be said to be lacking in understanding of Marxism for the main. This means that there are more than 80 percent of cadres who have no systematic and basic knowledge of Marxism. Owing to lack of fundamental theories of Marxism to arm their minds, some cadres cannot understand well the essence of the party's principles and policies so that they usually vacillate in implementing these principles and policies. In the face of the new situation and new problems, some cadres cannot analyze and deal with them with the Marxist stand, viewpoint and method so that they not only work at a low efficiency, but also often make deviations in handling their work. Furthermore, not being equipped with the Marxist world outlook on the whole, some cadres have no ability of resistance at all when confronted with attacks by the ideological trend of bourgeois liberalization and even step on the road of breaching discipline and committing crimes.

Here is a well-known saying of Stalin: "In any state or party department, the higher the political level and the Marxist-Leninist consciousness of its staff are, the more efficient and effective their work will be. Conversely, the lower the political level and the Marxist-Leninist consciousness of its staff are, the more setbacks and failures there will be in their work, the more likely the staff are to become vulgar and turn into shortsighted persons bogged down in routine matters, and the more likely they are to degenerate morally. This can be said to be a definition." Stalin also said that if cadres in all departments could be turned into quite mature Marxist-Leninists, then 90 percent of the problems could be solved. ("Selected Works of Stalin," Vol 2, pp 461-462) Our party's history also proves that the Marxist-Leninist level of cadres, especially of leading cadres determines the progress and the retrogression of our cause as well as its advance or retreat. Comrade Mao Zedong, therefore, pointed out: "No political party can possibly lead a revolutionary movement to victory unless it possesses revolutionary theory and a knowledge of history and has a profound grasp of the practical movement." ("Selected Works of Mao Zedong," Vol 2, p 498)

Of the veteran cadres who joined the revolution during the anti-Japanese war or before, many of them are now advanced in years. It is anticipated that those who will still be working at their posts by 1990 will mostly be cadres who took part in work after the founding of the PRC. The theoretical level of this part of cadres is quite uneven. Generally speaking, those who joined work before 1957 are much better in political level and those who started working after 1966 are fairly poor in this field, most of them have not been systematically educated with Marxist theory. This is a question of prime importance. Here, we must get a move on and take measures to systematically educate the middle-aged and young cadres with Marxist theory in as short a period of time as possible so that we will be able to ensure that our party continues to march forward along the line of Marxism-Leninism-Mao Zedong Thought in 10 or 20 years' time.

Why should the theoretical education of Marxism for cadres be necessarily carried out systematically? This has been put forward in line with the requirements of the Marxist theoretical system itself and according to the positive and negative experiences we summed up from the past work of educating cadres theoretically.

Marxism is a scientific theoretical system. It consists of three component parts--philosophy, political economics and scientific socialism. We must have a systematic study of them. Only when we attain a systematic understanding of the three component parts of Marxism and the practice of the CCP in applying the fundamental tenets of Marxism-Leninism to tackle the problems of the Chinese revolution, will it be possible for us to integrally and accurately master the fundamental tenets, stand, viewpoint and method of Marxism and foster a communist world outlook. The requirements of mastering Marxism must differ for different kinds of cadres. Cadres who engage in party, government and mass work, especially leading cadres should know much more Marxism than other comrades.

On the problem of educating cadres theoretically, our party has long promoted the systematic study of Marxist theory. Comrade Mao Zedong pointed out that it was necessary to imbue cadres with Marxism systematically, not piecemeal, and to do with practice, not devoid of content. Comrade Liu Shaoqi seriously criticized an erroneous statement of neglecting systematic study of theory in arguing that those who bury themselves in books are "academics." Both in the Yanan period and in the 1950's, our party accumulated much experience in organizing cadres to systematically study theory. But for a long period of time after that, this study was disturbed by Lin Biao, Kang Sheng and the "gang of four." Being obsessed with the ambition of usurping the party and seizing power, they categorically opposed systematic study of Marxist theory with the excuse of combating dogmatism. They advocated the so-called methods of "taking a shortcut," "studying what is urgently needed" and "getting instant results." This led to fragmentizing Marxist theory into pieces and making arbitrary use of some quotations with no interconnection at all. Such pragmatic practice completely changed the systematic theoretical education for cadres and mentally disarmed them. To counter the influences of the pragmatic practice and the "leftist" errors advocated by Lin Biao, Kang Sheng and the "gang of four" in the study of Marxism, Comrade Deng Xiaoping specially emphasized the problem of integrally and accurately studying Marxism, providing us with an ideological weapon for criticizing pragmatism and dogmatism. We must continue to sweep away the baneful influence left over by Lin Biao, Kang Sheng and the "gang of four" and insist on systematically educating cadres with Marxist theory.

Promoting the systematic study of Marxism is by no means to isolatedly and statically study books without connecting the struggle with reality. Our consistent policy just as recommended by Comrade Mao Zedong is "to focus such education on the study of the practical problems of the Chinese revolution using the basic principles of Marxism-Leninism as the guide, and the method of studying Marxism-Leninism statically and in isolation should be discarded." ("Selected Works of Mao Zedong," Vol 3, p 760) Today, our principle of theoretical education must still be applying theory to reality. In building socialist modernization, we are confronted with a great deal of problems. But owing to scant knowledge of basic Marxist theory, many cadres are not able to judge and solve problems with the Marxist stand, viewpoint and method. The aim of organizing cadres to systematically study theory is, in the final analysis, to solve various practical problems awaiting us by centering on the task of building socialist modernization. The ultimate end of making our cadres systematically study theories is to use the "arrow" of Marxism to shoot at the "target" of the socialist construction in China.

In order to help all cadres study Marxist theory well and systematically, it is necessary to have the study system reformed so as to make it a regular practice taken step by step. To this end, we must seriously study the good tradition and good experience in the theoretical education that our party carried out for cadres both in the Yanan period and in the 1950's. In line with the practical situation in our country, we must work out a feasible system and plan for carrying out theoretical education among cadres. Different requirements must meet with different types of cadres. Attention must be focused on grasping theoretical education among leading cadres between the ages of 30 and 50, leading cadres in reserve and cadres who engage in party, government and mass work. We must fulfill the plan of rotationally training cadres in a planned way through different channels such as the party school, cadre school, or "calling together" a small number of cadres at work or self-study. We must strengthen the system of checking on cadres' theoretical study, establish records and assess their study while assigning, selecting and promoting cadres. With a view to systematizing the theoretical education for cadres and making it a regular and standard practice, we must vigorously create conditions to solve the problems such as teaching materials, teachers, expenses and places. While gaining a good grasp of the present theoretical study of cadres, we must start in studying how to reform the system of theoretical education for cadres, actively creating conditions and striving to regularize theoretical education for cadres at an early date so as to meet the needs of building socialist modernization.

CSO: 4004/40

AT PRESENT, WE SHOULD EXPAND REPRODUCTION WITH EMPHASIS ON INTENSION

Beijing RED FLAG in Chinese No 12, 16 Jun 82 pp 38-40

[Article by Lu Congming [7627 1783 2494]]

[Text] Enlarged reproduction is divided into two types: enlarged reproduction by extension and enlarged reproduction by intension. This is an important principle of Marxist theory on reproduction. According to the explanation of Marx in "Das Kapital," enlarged reproduction by extension generally means "adding new factories to the old ones." In other words, it means expanding reproduction by enlarging production sites and increasing manpower and material resources. Enlarged reproduction by intension generally means expanding reproduction by carrying out technical innovations in the original enterprises and raising the quality of essential factors of production and the use rate of funds. In the whole course of socialist enlarged reproduction, enlarged reproduction by extension and enlarged reproduction by intension are indispensable. They are interdependent and promote each other. However, one of the two aspects may possibly become more prominent than the other in a certain period of time. In a certain period of time after the founding of the People's Republic of China, in order to lay a necessary foundation for industry, it was absolutely necessary to carry out enlarged reproduction by extension by devoting our major efforts to building a large number of factories. But when the material technological foundation of the national economy reaches a certain scale, we should gradually carry out enlarged reproduction with stress on intension. In his government work report at the 4th Session of the 5th National People's Congress, Premier Zhao Ziyang pointed out: "From now on we must rely on technical innovations in the expansion of reproduction, and bring into full play the role of our present enterprises." This means that from now on there will be a strategic change in our socialist enlarged reproduction, a change from enlarged reproduction with stress on "extension" into enlarged reproduction with stress on "intension."

Why must we carry out this change?

First, this is the objective demand of the development of social production at a certain stage.

Whether extension or intension is to be stressed in socialist enlarged reproduction is mainly determined by the status of the material and technological foundation of the national economy. When we started our industrialization on a poor and blank foundation left over from the old China, it was obviously wrong not to carry out enlarged reproduction with stress on extension. After 30-odd years of construction, our economic and technological levels have fundamentally changed. Now we have heavy and light industries with comparatively consummate departments, and have built an independent and integrated industrial system and national economic system. In 1980, there were more than 370,000 industrial enterprises and 400 billion yuan of industrial fixed assets, which was a 2,600 percent increase over 1952. The proportion of industrial output value in the total output value of industry and agriculture rose from 30 percent in 1949 to 75 percent in 1980. All this shows that China's present industry has reached a certain scale, provided the material and technological foundation for the realization of enlarged reproduction and built a reliable basis for our modernization.

Let us view this from the angle of funds. The proportion of funds of the original enterprises in the total funds that have increased over the years is becoming larger and larger following the development of social production. For a long time to come, due to the shortage of funds and energy, we will not be able to open up large numbers of new enterprises the way we did in the past. Therefore, raising the use rate of funds of the original enterprises through technical innovations will play an increasingly important role in the development of the national economy. This is an evitability that will emerge after social production develops to a certain stage. After World War II, some economically developed countries did not use their major investments for increasing the absoluteness of the means of labor or for building new enterprises, but for renewing and innovating their technology and raising the level and productivity of their equipment and production technology. Take for example the machine building industry. Eighty-four percent of the increase in machine tools from 1963 to 1973 in Japan and 76 percent of the increase in machine tools from 1952 to 1972 in the United States were used for renewing their original machine tools. At present, 80 percent of investments of Western developed countries is applied to technical innovations, while the Soviet Union allots 70 percent of all investments for technical innovations.

Second, the status of technology and equipment of our present enterprises urgently requires us to place enlarged reproduction by intension in a major position.

China's industry has reached a certain scale, but because we have been longing for new projects and new enterprises for a long time to the neglect of the renewal and innovation of the original equipment, the equipment of many enterprises is obsolete, technology is outdated, products are backward, consumption is too high and economic effect is low. At present, the "enlistment age" of the equipment of the fixed assets of industrial and communications enterprises throughout the country is as follows: enterprises with equipment more than 10 years old account for 52 percent, enterprises with equipment more than 15 years old account for 42 percent, enterprises with equipment more than 20 years old account for 33 percent, enterprises with equipment more than 25 years old account for 14 percent and enterprises with equipment left over from the preliberation days account for 7 percent. The technological level of the equipment is as follows: about 20 percent of equipment is advanced or comparatively advanced; about 20-25 percent is obsolete and can barely cope with present production levels; and about 35 percent is quite old, outdated and requires immediate renewal and innovation.

The equipment of enterprises is old, technology is outdated and the consumption of raw materials and energy in production is high, therefore the quality of products is low and the economic effect is bad. In 1980, 40 percent of the indices of the quality of major products of key enterprises throughout the country and 65 percent of the indices of the consumption of fuel, power and raw materials did not reach the best level in history. According to statistics, the profits realized from each 100 yuan output value by industrial enterprises under the ownership of the whole people in 1980 dropped by 10 percent as compared with 1957. Of course, there are many reasons for such a phenomenon, but overlooking the renewals and innovations of the equipment of enterprises over a long period of time must be regarded as an important reason. Marx said: "The greater part of the means of labor constantly undergoes innovations due to the progress of the state. Therefore, they carry out replacement in the form of innovation instead of in the original form." ("Collected Works of Marx and Engels," Vol 24, pp 190-191) Machinery and equipment are the skeletal system of modern production. Whether they are advanced determines, to a very great extent, the economic effect. Therefore, in order to change the backwardness of China's present enterprises and raise the economic effect, it is necessary to renew the equipment of our present enterprises and to carry out technical innovations so as to realize enlarged reproduction with emphasis on intension.

Third, carrying out enlarged reproduction with emphasis on intension is an important strategic measure for China's national economy to change from readjustment to overall development.

In the present period of readjustment of the national economy, on the one hand, some heavy industrial projects and many machine building factories "do not have enough to eat," and capital construction contingents are seriously short of production tasks; on the other hand, the equipment of many industrial enterprises is old and their technology is backward. Many products which are needed at home and abroad cannot be produced due to limitations in technology and energy. Or even if they can be produced, they cannot meet the demands. How should we overcome such a contradiction so as to enliven the national economy in an overall manner? One important strategic measure is to pay close attention to the technical innovations of our present enterprises and to carry out enlarged reproduction with emphasis on intension.

In the past, much was devoted to capital construction in the production of the machine building industry, while little was devoted to technical innovation; much was devoted to heavy industry, while little was devoted to agriculture and light industry. Now due to the need for technical innovation, various trades and undertakings have begun to place orders with the machine building industry. In this way, the production capability of the machine building industry can be brought into full play, its technical innovations can be carried forward and its orientation of service readjusted. The machine building industry occupies an important position in industry. Before the readjustment principle was implemented, its output value accounted for about 25 percent of the total industrial output value. The enlivening of the machine building industry will give an impetus to the increase in heavy industrial production such as metallurgical production and to its technical innovations. And when the entire heavy industry is enlivened, it can provide advanced equipment and superior quality materials for light industrial and agricultural production and for their technical innovations. In this way, the whole national economy will be enlivened in an all-round way.

For a long time, energy has been in short supply in China, and it has been unable to meet the demands of the national economic development. One of the methods to solve this problem is to grasp firmly the technical innovations with regard to the use of coal, petroleum and electric power in our present enterprises. According to estimates, if we can reform high consumption coal furnaces within 10 years, we will be able to save 50 million tons of coal each year, and replace 40 million tons of superior quality coal with low quality coal. This will create favorable conditions for further growth of the national economy.

China is in a period of economic readjustment. Its financial situation is comparatively difficult and its funds are not sufficient. Carrying out technical innovation in our present enterprises will enable us to get better economic effect with less investments. According to the estimates of the departments concerned, in increasing the same production capability, if we reform our old enterprises instead of building new ones, we can cut our investments by two-thirds, equipment and materials by 60 percent and shorten the production period by 50 percent. Following the gradual expansion of technical innovations, the quality of products will increase, consumption will decrease, the effect on the national economy will be greatly raised and the conditions of the state's financial status and people's livelihood will greatly improve.

The carrying out of enlarged reproduction with emphasis on intension is designed for the national economy as a whole. It does not mean that we cannot carry out enlarged reproduction with emphasis on extension in certain fields. In addition, in carrying out enlarged reproduction with emphasis on intension, we must start from our national condition and consider that our large population will provide great employment tasks, and according to the characteristics of different departments, different regions and different enterprises, introduce a multistrata technological structure and correctly combine the role of advanced science and technology with that of rich labor resources to get the best economic effect.

CSO: 4004/40

WHY DOES THE PRICE OF A COMMODITY RISE EVEN WHEN ITS VALUE DECREASES?

Beijing RED FLAG in Chinese No 12, 16 Jun 82 pp 41-42

[Article by Wei Xinghua [5898 5281 5478]]

[Text] In accordance with Marx' theory of the value of labor, the value of commodities and the amount of labor which find expression in commodities constitute a direct ratio while the value of commodities and labor productivity producing commodities constitute an inverse ratio; commodities are exchanged according to or on the basis of their value, and prices are the monetary expressions of values. In line with this principle, people will easily think that with the gradual increase in social labor productivity, there is a relevant decrease in the value of a commodity and there should also be a relevant decrease in the price which is the monetary expression of the value of a commodity. However, the phenomena existing in the real economic life are very often not so. For 30-odd years in our country, although there has been a decrease in the prices of a small section of commodities, seen from the general level of commodity prices, there has been a slight increase in the general level of commodity prices with the improvement in labor productivity. Why is it so?

It must be pointed out that when labor productivity improves, the value of a commodity decreases. This is one situation. Whether or not the price of a commodity will drop in the same degree with the devaluation of the commodity is another situation. The movement of commodity value and that of commodity prices are two processes which are both interrelated and different. True, prices are the monetary expression of value, but the orientation and scope of the variations of value do not necessarily accurately find expression in price variations. This is because what determines the value of a commodity is not only the socially necessary work time consumed in producing the commodity but also many other factors; besides the value of a commodity, there are still the value of the money itself, the volume of paper money in circulation, the relation between supply and demand, the factor of distribution and so on.

Under circumstances where coins are used as a means of circulation, because coins have their own value also, if the value of a commodity and money decreases in the same degree, prices will not change; if the scope of the decrease in the value of a commodity is narrower than that in the value of money, prices will rise. This phenomenon in which the movement of value and that of prices are not identical does not mean that the price of a commodity and its value deviate from each other. While paper money is used as a means of circulation, and particularly since paper money no longer has a legal gold content, it is a common occurrence that the decrease in the value of a commodity and the increase in its price run parallel. This is because paper money itself does not have any value. When it represents coins, paper money only symbolizes value. In accordance with the laws governing the circulation of paper money, when paper money is over-issued and exceeds the volume of currency needed in circulation, paper money will "devalue" and the price of a commodity will rise, regardless of whether or not the value of the commodity has decreased. This occurs in both capitalist and socialist countries.

Besides the factor of money, other factors such as distribution also have an important bearing on the price of a commodity. Changes in a price are often the result of the comprehensive action of the various factors. Judged from the actual conditions of our country, over the last 30-odd years there has been a slight increase in the general level of commodity prices, which mainly accounts for the following things:

First, the influence of the increased prices for agricultural products. In old China there existed very great "price cutters" between the prices for industrial and agricultural products (that is, the prices for agricultural products were lower than their value and those for industrial products were higher than their value). After liberation, in order to boost the income of the peasants and promote the development of agricultural production, the CCP and the government raised the purchasing prices for agricultural products many times and thus helped to gradually exchange agricultural products for industrial products with the prices which approached their value and reduced the "price cutters." This is precisely the demand of the law of value. Of course, the fairly rapid increase in agricultural labor productivity and the relevant decrease in the value of agricultural products will become a factor which offsets the rise in the prices for agricultural products. However, the increase in labor productivity in our agriculture is, in fact, very slow. Judged from the materials from a sample survey of some localities, there was even a certain decrease rather than an increase in our agricultural labor productivity (this is related to the errors made in the economic work in the past and the disproportions between agriculture and light industry on the one hand and heavy industry on the other hand). In addition, the supply of farm produce and sideline products of our country has for many years failed to keep pace with the increase in the demand for them. Therefore, price hikes in agricultural products have become an objective inevitable trend.

Increased prices for agricultural products have exerted a great influence on the increase in the general level of commodity prices. This is not only because the total volume of the prices for farm produce and sideline products constitutes a fairly great proportion in the total price volume for consumer goods, but also because most raw and semifinished materials of our light industry directly or indirectly come from agriculture. The raising of prices for agricultural products will cause a chain reaction and a relevant increase (or will hamper the decrease) in the costs and prices of many light industrial products.

Second, previous prices for such fuels as coal and for such industrial raw materials as pig iron were on the low side. This was also a problem left over from history. In order to advance production, it is necessary to raise the prices for these products in a planned and appropriate way. But as a result it will also have an impact on the relevant increase in the costs and prices of a series of industrial products. This is also one of the causes for the increase in the general level of commodity prices.

Third, the influence of the accumulation rate. The price of every commodity and the value of all social products can be distributed into two parts, namely, the transfer of original value and the newly created value. The former is used for making up the consumption of machines, raw and semi-finished materials, fuels and so on, while the latter can be viewed as accumulation funds and a means to increase consumption funds after deducting labor costs, such as wages. The excessively rapid increase in accumulation and excessively high accumulation rate will not only squeeze out the part used to increase consumption funds but also cause an increase rather than a decrease in the price of a commodity despite a drop in its value. The balance between them will change over to accumulation through the price of a commodity being higher than its value. In normal circumstances, increasing some accumulation through the distribution of prices will be conducive to promoting the development of the socialist construction cause. The problem is that because of the influence of the "leftist" errors in economic work, the accumulation rate was excessively high in the past. This surpassed the rational demarcation line in increasing accumulation through the distribution of prices. This is also one of the reasons why industrial labor productivity increased but the prices for industrial products failed to correspondingly decrease.

Fourth, the influence of wage increases. With the decrease in value, prices fall. One of the reasons for this is that the scope of wage hikes must not exceed the growth rate of labor productivity. If it is surpassed, the ratio of accumulation in the newly created value has to be reduced; if the ratio of accumulation remains unchanged, it will be possible to effect a fall in prices with the decrease in value only when prices are kept unchanged or even raised.

Over the last 30-odd years, China's average income has increased step by step, and because more people are working, there has been a fairly big increase in the total amount of wages for the staff and workers. Particularly in the last few years, the party and the government have increased the wage income of the staff and workers by a fairly large margin and, with the solution to the employment problem for a total of 26 million people, the total amount of wages in 1981 for the staff and workers throughout the nation registered an increase of 43.3 percent over 1978. The average income of the staff and workers employed in the units under the system of ownership by the whole people in 1981 was 26 percent more than that in 1978.

Furthermore, a fairly large number of bonuses were distributed. This caused the scope of wage hikes to outstrip the growth rate of labor productivity, thus producing an impact on the increase in the general level of commodity prices.

To sum up, although the variation of prices always takes value as the foundation, it is still affected by other factors and the two must not be directly equated. The principle of basically stabilizing commodity prices which we adopted is the use of the law of value. Owing to the errors in our work, price hikes in a certain period outstripped the normal scope. However, this was only a transient phenomenon. With the further readjustment of the national economy last year, the scope of price hikes has already dropped markedly. With a further change for the better in economic and financial affairs, the commodity prices of our country will surely become stable with each passing day.

CSO: 4004/40

IS THE SOCIALIST ECONOMY A PLANNED ECONOMY OR A COMMODITY ECONOMY?

Beijing RED FLAG in Chinese No 12, 16 Jun 82 p 43

[Article by Mao Gang [3029 6921]]

[Text] A planned economy and a commodity economy are not absolutely antagonistic and neither are they two different stages of development of the socialist economy. A commodity economy is the opposite of a natural economy while a planned economy is the opposite of an unplanned economy. In a socialist society where commodity production and commodity exchange have still to be retained, practicing a planned economy means, in fact, practicing planned commodity production and planned commodity exchange. This is the objective reality of our socialist economic life. Since the current economic life is so, therefore it is only natural for people to try to theoretically summarize it in terms which they consider relatively clear and unambiguous. As a result, formulations of all kinds have emerged. For instance, some people say that the socialist economy is a planned commodity economy; some say that it is both a planned economy and a commodity economy and there are still other people saying that it is a commodity economy with the planned economy as the dominant factor. In my opinion, none of these formulations can accurately mirror the essential feature of the socialist economy.

The essential feature of the socialist economy is the planned economy. Based on the system of public ownership of the means of production, the planned economy forms a unitary whole and thereby enables the society to ensure the proportionate development of the socialist reproduction process and the various departments of the national economy through regulation by planning mechanism. With a planned economy, the state can rationally distribute manpower and financial and material resources among the various localities and departments in light of the national condition, help balance the movement between funds and material, regulate the distribution of consumption funds on a national scale in a unified way so as to basically stabilize the market and prices, achieve fairly great economic results in social production and improve the well-being of the masses of the people step by step. This was not inherent in previous social and economic formations, is a major difference between the socialist system and previous social systems and also an important aspect of the superiority of the socialist system.

The socialist planned economy does not exclude the market and does not dispense with the regulatory role of the market. The socialist planned economy develops the economy mainly in accordance with the objective requirements of the law that the national economy is developed in a planned way and, at the same time, applies the law of value to regulating commodity production and commodity circulation. In his "New Problems Arising After the Basic Completion of the Socialist Transformation," Comrade Chen Yun said: "Planned production is the major part of industrial and agricultural production while free production according to fluctuating market conditions and within the limits allowed by state planning is a supplement to planned production." "In the socialist unified market, the state market is dominant, but a free market is attached to it, carried out within certain limits and led by the state. This kind of free market is carried out under the leadership of the state as a complement to the state market. Therefore, it is a component part of the socialist unified market." This is China's current concrete economic form. It is in this concrete economic form that our planned economy is carried out. As Comrade Chen Yun said, the main part of our industrial and agricultural products are produced in a planned way and although the remaining part of the products are produced freely according to fluctuating market conditions, that is free production conducted within the limits allowed by the state plan. The state plan still plays a leading role in free production and has a certain binding force on it.

Socialist society is not a self-sufficient natural economy. The social products of a socialist society are basically commodities. In this sense, it can be called a commodity economy. But this cannot show the nature and properties of socialism, because there similarly exists commodity production in the previous social formations and particularly in capitalist society. In stressing that the socialist economy is a commodity economy, people may give rise to the consideration that it is to correct such "leftist" views as that in the past, the socialist planned economy was regarded as being opposed to the commodity economy and as excluding commodity production. If it gives rise to lack of such aspirations, it will only be all right if the concrete contents of the planned economy at the present stage are clearly explained. It is best not to substitute the concept of the commodity economy in place of the planned economy, because the latter displays the properties of the socialist economy system.

CSO: 4004/40

RECOMMENDING 'POPULAR PHILOSOPHY'

Beijing RED FLAG in Chinese No 12, 16 Jun 82 inside back cover

[Book review by Sha Ying [3097 5391]]

[Text] The book "Popular Philosophy" [Tongsu Zhexue 6639 0198 0772 1331] (edited by Han Shuying) recently published by the China Youth Publishing House is a comparatively outstanding book about popular philosophy.

The writers of this book said that it was "only a trial" to compile books about popular philosophy. I think it is a significant as well as comparatively successful trial.

What are the features and advantages of this book?

First, it expounds Marxist philosophical principles quite accurately. All philosophical principles are explained from the point of the whole system of Marxist dialectical materialism so that each can be explained as accurately as possible. For example, the explanation of the theory that matter is primary, objectiveness of law, practice as the only criterion for testing truth and the two basically opposite historical outlooks, is all made on the basis of world matter and on the fact that the world is an entity of the world of matter. The writers explicitly point out that if this basis is taken out, no principle of dialectical materialism or historical materialism can be formed. In expounding the basic philosophical question of the relationship between matter and ideology, the book criticizes the "theory of all-powerful spirit" and the "theory of useless spirit." In the past, in expounding the law of dialectics, some philosophical books and articles only dealt with the law of the unity of opposites and stressed the struggle of contradictions; they did not deal, or dealt very little, with the unity of contradictions. But this book follows the three basic laws of dialectics that were expounded by Engels and explains in an overall way the contents of dialectics. At the same time, this book puts the three basic laws in the same position and mainly explains the law of the unity of opposites and points out the nature and core of dialectics.

Second, the book deals quite well with combining theory with practice. The writers followed the principle of seeking truth from facts, proceeded from reality and explained the line, principles and policies of the 3d Plenary

Session of the 11th CCP Central Committee on the background of the experiences and lessons in the practice of socialist construction in our country since the founding of new China. They also explained the spirit and nature of the resolution of the 6th Plenary Session of the 11th CCP Central Committee in their efforts to lead readers to profoundly understand the new road for socialist construction put forth by the Central Committee and is in line with national conditions. They talked about the problems that exist in work by cadres and pointed out the importance of cadres correcting their ideological line and improving their methods and style of work. In particular, with regard to ideological conditions of youths, the writers enlightened them on how to get out of individualist small circles and how to distinguish socialism from capitalism and genuine beauty from falsification and ugliness so that they can form the correct ideology of loving their motherland, the party and socialism. The development of modern production and natural sciences has exposed many new natural phenomena and raised many new questions. The writers have also made an effort to explain all this on the basis of Marxist philosophical principles. For example, the book has properly reflected such things as the theory of information, cybernetics, the theory of systems and their relations with philosophy.

Third, "Popular Philosophy" is worthy of the name. This book is really very popular and easy to understand, with vivid wording and food for thought. It pays considerable attention to knowledge. In expounding philosophical principles, the writers introduce some knowledge about history, geography, culture, art and natural sciences so as to help readers improve their knowledge in these respects and develop their scientific and cultural level. The book is also delightful as the writers refer to interesting things, domestic and foreign and ancient and modern, scientific and historical stories, anecdotes of celebrities, poems and maxims. The book also uses simple language that makes it accessible to and well received by readers. What is particularly interesting is that the book also carries 20 philosophical cartoons by Comrade Fang Cheng.

Of course, this book has some shortcomings. I hope that the writers will solicit the opinions of readers and make amendments and improvements before the second edition of this book comes off the press. I also hope that philosophy circles will be able to publish more popular philosophical books so that our philosophy will become more rich and varied, and daily more prosperous.

CSO: 4004/40 END

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12 October 1982

China Report

RED FLAG

No. 16, 16 August 1982

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12 October 1982

CHINA REPORT

RED FLAG

No. 16, 16 August 1982

Translation of the semimonthly theoretical journal of the Central Committee of the Communist Party of China published in Beijing.

CONTENTS

Comrade Mao Zedong's Five Letters to Relatives and Friends (May 1950-June 1957) (pp 2-4) 1

Learn From Comrade Liu Bocheng (pp 5-9, 31)
(Xiao Ke) 5

Properly Using Power Entrusted by the People--Reading Comrade Mao Zedong's Five Letters to Relatives and Friends (pp 10-11)
(RED FLAG commentator) 15

Communists Should Uphold Principles in Handling Family Problems (pp 12-13, 40)
(Zhu Yan) 19

On the Working Class After the Elimination of the Bourgeoisie as an Exploiting Class in Our Country (pp 14-18)
(Yu Yannan) 23

On the Basic Characteristics and Contents of the Draft of the Revised Constitution (pp 19-25)
(Lu Zhichao) 31

Strengthen the Great Unity of All Nationalities (pp 26-31)
(Ismail Amat) 43

Several Problems Concerning the Current Ratio Between Accumulation and Consumption (pp 32-36)
(Chen Feizhang, Jiang Zhenyun) 53

Be Vigilant Against the Danger of a Revival of Japanese Militarism (pp 37-40)
(RED FLAG commentator) 63

Cadres' Study Should Be Assessed and Examined (pp 41-42)
(Cheng Shu) 69

What Can Be Learned From the Western Experience in Enterprise Management? (pp 43-45)
(Zhou Shulian) 72

What Is the Difference Between the Urban Youths Waiting for Jobs in Our Country and Unemployment in Capitalist Countries? (pp 46-47)
(Chu Zhengkun) 78

Will Strengthening of Planning Guidance Impair the Decisionmaking Power of Production Teams? (pp 47-48)
(Zheng Youyun) 81

Aquatic Breeding and the Question of Eating (inside back cover)
(Xing Xiangchen) 84

COMRADE MAO ZEDONG'S FIVE LETTERS TO RELATIVES AND FRIENDS (MAY 1950-JUNE 1957)

Beijing RED FLAG in Chinese No 16, 16 Aug 82 pp 2-4

[Text] Comrade Mao Zedong's five letters to his relatives and friends (written between May 1950 and June 1957).

Letter to Mao Yimin[1] (dated 8 May 1950):

Comrade Yimin: Your 3 January letter has been received. Thank you for your kindness and for telling me in detail about the situation in our home village. The poor people in the village live a hard life and the families of revolutionary martyrs live an even harder life. They must bear it at this time. After the land reform, things will improve somewhat. Then, the people's government will be able to give some aid to the people, such as providing loans for them. By that time the people will be able to gradually improve their livelihood.

Care for the families of revolutionary martyrs is a nationwide concern. There are millions of families of revolutionary martyrs throughout the country. Of course, it is inconvenient for the government to give special care to the families of revolutionary martyrs in only a few localities. However, the local government should give consideration to the people with the greatest difficulties when reducing rent on land and carrying out land reform and when the new crop is still in the blade and the old one has been consumed.

It is very good that you work in the home village. Thus, you can write to me often and tell me about the situation there.

Please give my best regards to the comrades in the village. I hope they will work hard and progress.

This is my reply to your letter. I wish you good health.

Mao Zedong, 8 May 1950

Letter to Wen Nansong (dated 12 May 1950):

Cousin Nansong: Your letter has been received. Thank you for your kindness. Brother Yunchang[2] wrote me several letters and I sent him a reply which was mailed to the address in Baibangkou, Nanxian County. I do not know if he has received the letter. It is improper for me to recommend brother Yunchang for a job. He should acquit himself well among the people to win their trust. Then, he will have an opportunity to participate in work. Are our 10th and 17th elder brothers still alive? I am greatly relieved to learn that our 11th elder brother is still alive and healthy. He has written to me and I have sent him a letter in reply. I do not know if he has received the letter. In your letter you said that there was a food shortage in the village, but the government refused to provide food grain. How are things now? Is there still a food shortage? Has the government done anything about it? Please write to me and tell me in detail about the situation.

This is my reply to your letter. I wish you well.

Mao Zedong, 12 May 1950

Letter to Li Shuqing[3] (dated 16 October 1952):

Mr Shuqing: Your letter has been received. I am delighted that you told me about the situation in the home village. I am willing to collect information on local matters for reference only; I am unwilling to directly handle general local matters and should not do so. Otherwise, it would be inconvenient for local party and government organizations to handle matters. I hope you will excuse me. I avail myself of this opportunity to extend my respects to you.

Mao Zedong, 16 October 1952

Letter to the Shicheng village party branch and government (dated 29 April 1954):

Comrades of the Shicheng village party branch and government: Comrade Mao Yueqiu[4] brought me your report when he came to Beijing. Many thanks.

The Wen family of Tangjiatuo are my relatives. In the past several years, they visited me often in Beijing. Since their return to Tangjiatuo, some of them have become arrogant and not very cooperative with the government. This is wrong. Any member of the Wen family, like others in the village, should obey the leadership of the party and the government, farm diligently, and abide by the law and should not be treated differently. Please do not hesitate to subject them to discipline just because they are my relations. My attitude is:

1. I love them because they are working people and my relatives.

2. Because I love them, I hope they progress, farm diligently, abide by the law and participate in the mutual aid cooperative organization like everyone else. They should not enjoy any special privileges. They should be criticized if they show backward behavior. Do not hesitate to criticize their shortcomings and mistakes just because they are my relatives

Enclosed is a letter from Comrade Wen Bingzhang[5] for your perusal. I agree with Comrade Wen Bingzhang. Please handle what he mentioned. Also, please let those in Tangjiatuo read my letter and Wen Bingzhang's letter, and help them correct their shortcomings and mistakes. I believe that as long as you and I assume a correct attitude and as long as they do not stubbornly adhere to their opinions, they can correct their shortcomings and mistakes and progress.

With comradely regards,

Mao Zedong, 29 April 1954

Letter to Sun Peijun[6] (dated 8 June 1957):

Comrade Peijun: Your 16 May letter was received. I am glad that you have graduated from junior middle school. It is inappropriate for me to write to the school regarding your admission. The school should decide whether you passed the examination and have been selected. If you are not admitted to the school of higher grade, you may review your lessons at home. Enclosed is 300 yuan for your mother. I will send you more money later. Do not worry.

Mao Zedong, 8 June 1957

FOOTNOTES

1. Mao Yimin, a native of Shaoshan in Xiangtan, Hunan, joined the CPC in 1938, worked for the Shaoshan District CPC Committee before liberation and worked for the Huanglong District CPC Committee of Xiangtan County in the early years after liberation. He died in 1968.

2. Yunchang was Mao Zedong's cousin Wen Yunchang, a native of Xiangxiang, Hunan. He died in 1961.

3. Li Shuqing, a native of Shaoshan in Xiangtan, Hunan, was a teacher. When Mao Zedong was young, he often asked Li for advice. Li died in 1957.

4. Mao Yueqiu, a native of Shaoshan in Xiangtan, Hunan, joined the CPC in 1925 and once served as secretary of the Shaoshan party branch. After liberation, he worked as a receptionist at Mao Zedong's old residence and died in 1957.

5. Wen Bingzhang, a native of Xiangxiang, Hunan, and Mao Zedong's second cousin, was dead.

6. Sun Peijun, a native of Changsha, Hunan, is Chen Yuying's daughter. From early 1927 to 1930, Cheng Yuying accompanied and took care of Yang Kaihui.

CSO: 4004/1

LEARN FROM COMRADE LIU BOCHENG

Beijing RED FLAG in Chinese No 16, 16 Aug 82 pp 5-9, 31

[Article by Xiao Ke [5135 0344]]

[Text] Comrade Liu Bocheng is a devoted proletarian revolutionary, a tested marshal, a Marxist military theorist and a noble-minded communist fighter. His magnificent contributions and his inspiring words and deeds are models for the whole party and the whole army. I knew Comrade Bocheng's name at a very young age. The second day after the start of the Nanchang uprising, I saw in the street a bulletin by the advisory group of the revolutionary committee. Liu Bocheng's signature heading others caught my attention. This was the first time I saw his name. Only later did I realize that he was a brave and remarkable general of Sichuan well versed in the military arts. During the period connected with the central revolutionary base, I could not tear myself away from any translation or work by him that I picked up. To me, he was a cherished mentor. In the summer of 1936, the 2d and 4th Front Armies of the Chinese Workers' and Peasants' Red Army converged on Ganzi. I at last saw Comrade Bocheng. I regretted not having had such an opportunity earlier.

A Dedicated Communist

Comrade Bocheng said with emotion: "I am very proud to be a member of the Communist Party of China and to have found the right leader..., I wish that after my death, I could have a monument over my tomb bearing the inscription: the tomb of Bolshevik Liu Bocheng. That would be a source of great satisfaction to me." These words from the bottom of his heart spelled out Comrade Bocheng's sense of dedication to communism. All who made his acquaintance had nothing but admiration for his conversion from a democrat of long standing into a faithful communist!

In his youth, Bocheng cherished the idea of making the country rich and the army strong. He was from a poor family. Some people advised him to go into business. He said: "A gentleman has nothing but the well-being of the poor in mind. How can he think of his own prosperity?" He resolutely went into the army and participated in the revolution of 1911. In 1912, Yuan Shikai usurped the fruits of the revolution of 1911. Joining the army of Xiong Kewu, a member of the Sichuan League, Comrade Bocheng participated in the first battle against Yuan. After its failure, Dr Sun Yat-sen reorganized the scattered members of the KMT and established the Chinese Revolutionary Party. Comrade Bocheng in Shanghai joined it. At the end of 1915, Yuan Shikai laid claim to the title of emperor. From Yunnan, Cai E led an army to Sichuan to fight Yuan Shikai in defense of the country. Yuan Shikai made Cao Kun lead an army upstream for Sichuan. The two forces were thrown into a decisive battle in the neighborhood of Luzhou and Naqi. At this time, Comrade Bocheng was leading the 4th Detachment of the Sichuan Safeguard-the-Country Army. His troops occupied the important town of Fengdu, intercepting enemy troop transportation on the Changjiang River and attacking the flank of troops sent to help Cao Kun. This gave an effective boost to the northward advance of Cai E's Safeguard-the-Country Army. Comrade Bocheng spent 10 years in the Sichuan army rising from platoon leader to a ranking commander. He witnessed the replacement of the old militarists by the new ones and the sorry plight and miserable fate of the people. He deeply felt that there was no hope for the realization of his original idea of saving the country and the people. His despair was bitter.

After the Russian October Revolution, Marxism-Leninism was brought to China. In the autumn of 1923, Comrade Bocheng was seriously wounded in his left leg in a battle against bandits (represented by Wu Peifu). He recuperated in Chengdu. He got acquainted with Communist Party members Wu Yuzhang and Yang Angong. They became good friends talking about the situation and discussing Marxism-Leninism. Thereafter, he broadened his horizon and his thinking changed greatly. Just as Bocheng was in a confused state of mind looking back over the past and pondering the future, militarist Lai Xinhui asked Chengbo's former subordinate Wang Erchang to persuade Bocheng to fill an important military post in Lai's army. Comrade Bocheng replied: "I have been with you for so many years. But you still don't know what I want. Yue Wumu said: 'Just as a civil official is not greedy for gain so a military official is unafraid of death.' I am from a poor family. I have nothing to fear in fighting the enemy. My only fear is that there may be trouble from within and without. The country may be reduced to such a state that officials carry out persecution and soldiers throw their weight around, leaving the people in a sad plight. The last thing I have in mind is fame and fortune. If these militarists think that they can lure me with high office and lucrative pay, they are dead wrong. I have made up my mind. I will follow Yuzhang and leave Sichuan with him. So long as I am alive, I will not stop participating in the revolution." In May 1924, Bocheng and Wu Yuzhang left Sichuan together. They went to Beijing, Shanghai, Hong Kong and Guangzhou studying the revolutionary movement. In July 1925, they returned together to Chongqing. As members of the Sichuan Provincial KMT Committee, they participated in the work of the leftist provincial headquarters of the KMT. In May 1926, through Yang Angong and Wu Yuzhang's introduction, Bocheng joined the Communist Party of China, realizing his conversion from a democrat into a communist.

In the summer and autumn of 1926, the Northern Expedition jointly organized by the KMT and the CPC reached the Changjiang River valley. As assigned by the party, Bocheng joined Yang Angong, Zhu De and Wu Yuzhang in organizing and leading the uprisings in Luzhou and Shunqing (Nanchong). Five brigades totaling 12,000 people participated in the uprisings. Bocheng was recommended by all as the general commander in charge of the various route armies of the National Revolutionary Army in Sichuan. The uprisings this time lasted from early December 1926 to the middle of May 1927. They played a helpful role in the Northern Expedition, realizing the strategic aim of preventing the main force of the Sichuan army from moving eastward to threaten Wuhan--a strategic aim called for by the CPC Central Committee. The uprisings "shattered the pipedream of the militarists and aroused the consciousness of the masses, producing a great impact on the Sichuan situation. Success or failure should not be the measure of a big or small achievement." (The "National Bulletin," 29 January 1927) The uprisings of Luzhou and Shunqing were a big contribution by the communists toward the Northern Expedition. They also represented our party's first attempt in leading armed struggle.

Due to Chiang Kai-shek and Wang Jingwei's rebellion against the revolution, coupled with rightist capitulationism erroneously promoted by the leadership organ of the Communist Party represented by Chen Duxiu, the spectacular great revolution failed. Serious White terror was subjecting every revolutionary to a test. Some of the revolutionaries retired from the scene, assuming a passive attitude. Some gave up their cause and joined the reactionary camp. A number of most devoted communists and proletarian revolutionaries represented by Mao Zedong, Zhou Enlai, Zhang Tailei and other comrades formed the backbone in keeping the cause alive. "Wiping off the bloodstains from their own bodies and burying the corpses of their good companions, they kept on fighting." ("Selected Works of Mao Zedong," Vol 3, p 985) At this historical turning point, Bocheng displayed the firm faith and high principles of a Communist Party member. Knowing what should be done, he first found his way to Wuhan and then reached Nanchang. He joined Zhou Enlai, Zhu De, He Long, Ye Ting and other comrades in leading the Nanchang uprising, firing the first shot in resisting the KMT reactionary group and turning a new page in the history of the Chinese revolution.

A Marxist Strategist and Military Theorist

Comrade Bocheng was one of the founders of the Chinese People's Liberation Army. In the long period of revolutionary war, he directed many battles and fought and won many major battles. He was an invincible general striking awe into the enemy. He left a glorious page in the history of the Chinese revolution and the revolutionary war. His art of directing military operations and his combat strategies formed an important part of Mao Zedong's military thinking. Comrade Bocheng was worth being called a tested marshal, Marxist strategist and military theorist.

After the failure of the Nanchang uprising, the party sent him to study in the Soviet Union. In the summer of 1930, he returned to the country from the Soviet Union. The party Central Committee assigned him to the Changjiang Bureau as secretary of the military committee. At a meeting of the Presidium of the Changjiang Bureau on 3 September, he relayed the instructions on Wuhan's work given by Comrade Zhou Enlai as representative of the party Central Committee. He prevented the execution of the adventurist plan calling for an insurrection in Wuhan. The likely damage arising from "leftist" putschism was avoided. In January 1932, Comrade Bocheng joined the central soviet area and acted for the first time as president of the Red Army College and concurrently political commissar. In October, he served as chief of the General Staff of the Red Army helping Comrades Zhou Enlai and Zhu De in directing operations and achieving a great victory in the fourth counter-"encirclement" campaign. During the Long March, Comrade Bocheng assumed weighty responsibilities and worked uncomplainingly. Before the Zunyi meeting, he brought up the rear of V Corps, giving the central organ cover in breaking through four enemy blockade lines. At the end of 1934, the central authorities transferred Comrade Bocheng back to the military committee. He again acted as chief of the general staff and concurrently commander of the central column. After the Zunyi meeting, Comrade Bocheng led an advance force seizing important points and paving the way for the advance of the whole army. This enabled the Red Army to get across the Jinsha River, through the area of the Yi nationality and across the Dadu River to reach the Sichuan-Xikang plateau and join forces with the 4th Front Army. In the spring of 1937, Comrade Bocheng was appointed as the commander of the army sent to help the Western Route Army. At this time, the Western Route Army was fighting a hard battle with the enemy on the Hexi corridor with neither the support of the party nor a mass foundation. It was hard put to obtain grain and munition supplies. Bocheng urged his army units to start on their way quickly. He was worried over the plight of the Western Route Army. He was overflowing with class sentiment. When his army reached Zhenyuan, the Western Route Army had unfortunately been defeated. Bocheng and Political Commissar Zhang Hao led the masses of cadres and fighters of the 4th Front Army in correctly waging a struggle to criticize Zhang Guotao's mistakes.

After the outbreak of the anti-Japanese war, Bocheng was appointed the commander of the 129th Division of the 8th Route Army. Together with Political Commissar Deng Xiaoping, Deputy Divisional Commander Xu Xiangqian and other comrades, he led the effort to establish the Shanxi-Hebei-Henan anti-Japanese base in the Taihang Mountains. They successfully organized and directed the battles of Shentou Ridge and Xiangtangpu; led their army units to break through the encirclement of nine routes by the Japanese renegades and smashed the policy of imprisonment pursued by the Japanese renegades, opening up and developing vast areas eastward to the Jinpu road, westward to the Tongpu road, northward to the Cangshi road and Zhengtai road, and southward to the Huanghe River. Thus, they established the Shanxi-Hebei-Shandong-Henan base, which became one of the important anti-Japanese bases. In September 1945, the militarymen and civilians of the whole Shanxi-Hebei-Shandong-Henan area launched a massive counterattack against the enemy. In a short period of time, they annihilated more than 50,000 enemy troops and recaptured 59 counties and towns. Bocheng was one of the main leaders responsible for this brilliant achievement.

After the victory in the anti-Japanese war in 1945, the Chiang Kai-shek KMT in September that year launched an attack on the Shanxi-Hebei-Shandong-Henan liberated area and occupied six towns in our Shangdang Prefecture. Bocheng and Comrade Xiaoping led their army units to fight bravely in self-defense. At one stroke, they annihilated 13 enemy divisions composed of more than 35,000 people. This provided effective support for Comrades Mao Zedong and Zhou Enlai in their peace talks in Chongqing. Chiang Kai-shek was forced to sign the "double 10th agreement." But Chiang Kai-shek gave lip service to peace on the one hand and concentrated large numbers of troops to push northward from Xinxiang along the Pinghan road on the other. Bocheng and Comrade Xiaoping immediately sent forces eastward and organized and directed the Pinghan battle, annihilating two army corps comprising 23,000 people. Another army corps and a column revolted and crossed over while in the battlefield. Thanks to the great victories achieved in Shangdang and Pinghan and in other battlefields, half a year of peace ensued. On 26 June 1946, Chiang Kai-shek blatantly tore the peace agreement to pieces and launched an all-out attack on the liberated area. Together with Comrade Xiaoping, Bocheng organized and directed the battles of Longhai, Dingtao, Juye, Juancheng and Huaxian. Victories were achieved in all the five battles. Ten and a half brigades of the intruding Chiang troops or more than 70,000 people were annihilated. This gave an effective boost to the efforts on other battlefields in the country. Chiang Kai-shek's plan for an all-out attack was smashed. In June 1947, to crush Chiang Kai-shek's concentrated attack, Bocheng and Comrade Xiaoping led their troops to cross over the natural barrier of the Huanghe River at one stroke. After annihilating nine and a half brigades of enemy troops in southwest Shandong, they advanced quickly making straight for the Daibie Mountains. This was the enemy's most strategically sensitive and yet weakest area--a vantage point of ours jeopardizing Nanjing to the east, Wuhan to the west, the Changjiang River to the south and threateningly overlooking the central plains. It was like a sharp blade thrust at the enemy's heart, pinning down 90 of the 160 brigades on their southern front and raising the curtain on the strategic counterattack in the war of liberation.

At the end of 1948, together with Xiaoping, Chen Yi, Su Yu, Zhen Lin and other comrades, Comrade Bocheng directed a decisive battle on an unprecedentedly large scale--the Huai-Hai campaign. They achieved a great victory annihilating 22 army corps and 56 divisions or 555,000 enemy troops and realizing Comrade Mao Zedong's prediction before the battle: "Given victory in this battle, not only will the situation north of the Changjiang River be brought under control but also the national situation as a whole can be basically taken care of." In January 1949, Comrade Bocheng acted as the commander of the 2d Field Army. Together with Political Commissar Comrade Deng Xiaoping, he led troops to cross the river liberating vast areas of Anhui, Zhejiang, Jiangxi and Fujian. Not long after, they received orders to attack southwest China. They resorted to the practice of making a big detour and a big encirclement--beating the enemy to it in occupying important points and cutting off their retreat. The enemy troops ran away helter-skelter, revolted, crossed over, or were killed. There were 900,000 such enemy troops. With southwest China under control, the war of liberation basically ended. Thus, the long period of battle life also ended for Comrade Bocheng.

During the long period of revolutionary war, Comrade Bocheng displayed the poise and talent of a great strategist who was both prudent and decisive in directing operations. He was capable of arriving at a correct understanding and judgment of the enemy's strategy and battle plans. He was no less skilled in deploying his own troops in light of the conditions concerning the enemy and ourselves. Therefore, he could foresee the development of the war and seize the initiative in fighting. Comrade Bocheng often stressed that commanders and fighters at all levels must have a clear idea of given tasks, information about the enemy, our own position, the terrain, and the time factor. He called these points "five tricks." He consistently opposed fighting in a "rigid" way and opposed the strategy of "meeting force with force." Instead, he called for "capitalizing on every favorable factor and avoiding all unfavorable ones and annihilating the enemy flexibly." In practice, he carried on and developed many tricks in war, such as "encircling a city and attacking the reinforcements," "concentrating on one point, attracting the attention of the relief troops, tackling a given part of them and annihilating them one by one," "making an encirclement on three sides, leaving one side open, providing a make-believe route of escape and setting a trap," "aiming for the heart of a fierce tiger," and the snake-beating art of "pinning down its head, grabbing its tail and cutting it in two." He was skilled in using military dialectics to organically unify strategy, battle and tactics. This provided a magic weapon for defeating the enemy. In a fair assessment and a graphic description of him, Comrade Chen Yi said: "He is the modern version of Sun Wu when it comes to the military art. In his dedication to protect national territory, he is the match of Fan Han in ancient history." A review of Comrade Bocheng's revolutionary life of battle shows that he really "has the style of well-known ancient generals and is a general with expertise rarely seen in the country."

These great achievements of Comrade Bocheng are inseparable from his assiduous study and research efforts. He had a busy military life and was always on the move. But he took time out to seriously study military works by Engels and Mao Zedong and well-known works on the military art by writers in modern and ancient times at home and abroad. Having regard to changes in the situation and our army's needs, he translated many works related to the civil war in the Soviet Union and the antifascist war--works of all kinds from small-scale to large-scale fighting and from defense to attack. The aim of making the past serve the present and foreign things serve China was really achieved. Comrade Bocheng paid great attention to summing up experiences in fighting. He wrote many good military works. The "Selection of Military Writings by Liu Bocheng" soon to be published is the crystallization of his brilliant thinking on military life. His military works and his translations were his magnificent contributions to our military history. They have produced and will continue to produce a great impact on the building of our army. Military commentators have traditionally held that a good strategist should combine the three arts of leading soldiers, training soldiers and using soldiers. Comrade Bocheng is a master of all the three arts. He is called a Marxist strategist and military theorist. His repute is well deserved.

The Founder of Our Military Colleges

During the protracted revolutionary war, Comrade Bocheng was deeply aware of the fact that all the powerful armies, at all times and in all countries, could not "fight without given training." To give training, it was first necessary to train cadres. Therefore at the time of the Lushun uprising, at the time he first entered the central soviet area, at the time the 4th Front Army was attacked by Zhang Guotao and from the time of the war of resistance against Japan to after the nationwide liberation, he always attached great importance to setting up a military college. Sometimes, he concurrently supervised the work of the college in the capacity of commanding officer, and at times, he devoted his whole attention to the work. He worked conscientiously and painstakingly and took infinite care in turning out batch after batch of qualified people versed in polite letters and martial arts for the army.

Before the nationwide liberation, our army was scattered in rural areas among various strategic areas. There was only a single poorly equipped arm in the army. Although there were military schools in various major areas, most of them were still in the primitive stage of learning to fight by taking part in actual fighting. After winning nationwide political power, just as Comrade Mao Zedong pointed out: "A basic change has already taken place in this kind of objective condition. We are now at the higher stage of army building, or the stage of mastering modern technology." For the sake of enabling our army to complete this new historical change, it was necessary to set up military colleges in keeping with modern conditions. Comrade Bocheng, who advocated "to run the army well, we must run military colleges well," resigned from his post as chairman of the Southwest Military and Political Committee and earnestly proposed to the Central Committee: "The war is now over, let me go and set up military colleges!" The Central Committee handed this difficult task to Comrade Bocheng. This indeed could be described as picking the right man for the job!

In October 1950, Comrade Bocheng received instructions to set up a military college. He made light of the hardship and braced himself for the vigorous effort of making a success of the work. With this revolutionary spirit of bravely exploring, he discovered the experience for properly setting up regular higher command schools in the new historical period. In drawing up training policies for the military college, he proposed: Using Mao Zedong's thinking on integrating theory with practice to unify military thinking, reorganize the style of study, oppose empiricism and guard against dogmatism. He stressed that attention must be paid to opposing two tendencies in training: First is the tendency of casting away our former foundation, the fine tradition of the PLA and Mao Zedong's military thinking. The other is the tendency of stubborn conservative unwillingness to accept new things and modern military sciences. With regard to the purpose of training, he proposed: Train senior commanders and staff officers loyal to the party and to the revolutionary cause of the Chinese people led by the party and who are good at organizing and commanding modern units composed of regiments, divisions and various services in coordinated operation. These policies and principles for setting up military colleges were basically affirmed at that time.

Under the historical conditions of that time, Comrade Bocheng studied the advanced experience of the Soviet Union in accordance with the instructions of the Central Committee. He insisted on learning the organizational and command experiences of the Soviet Army on the basis of summing up the battle experiences of our army. He translated and edited a complete set of teaching materials on military theory and gradually built a Red and expert contingent of instructors. For the sake of bringing theoretical study and planning exercises closer to reality, the military college organized a total of 35 military maneuvers and 12 large-scale field exercises from 1951 to 1955. These activities not only unified thinking, but they also trained and toughened the ability of the cadets to actually command a composite army in battle and played a vital role in the education and training of the units. For the sake of fitting in with the needs of modern warfare, naval, air force, artillery and armored departments were added one after the other not long after the setting up of the military college. When these departments could independently fulfill their teaching assignments, they were also expanded into independent command colleges for the services with the approval of the Military Affairs Commission. This enabled our army to have a more comprehensive college system and thereby promoted the process of building a modern and regular army.

In his "Instructions to the Military College," Comrade Mao Zedong highly appraised Comrade Bocheng's work. He said: "The founding of the military college and its teaching over the past year and more have made an important contribution to the building of a regular and modern national defense unit." Naturally, some shortcomings and mistakes existed during this period of military education and some unsuitable things were copied from the experience of the Soviet Army. These minor aspects which emerged in our advance because we had no experience in building a modern army were immediately corrected upon discovery. This was reflected in the bimonthly work report submitted by Comrade Bocheng to the Military Affairs Commission of the Central Committee.

However, in the so-called "oppose dogmatism movement" suddenly launched in 1958, such labels as "dogmatism" and "mistakes of the bourgeois military line" were imposed on Comrade Bocheng, and large numbers of comrades in charge of military training were also wrongly criticized. From then on, "leftist" guiding ideology began to develop in the army. When Lin Biao was in control of the Military Affairs Commission, he actually negated the orientation of building a regular and modern army and even preposterously abolished military training and dissolved large numbers of military colleges. This caused serious damage to army building. The leading comrade of the Military Affairs Commission has pointed out that the oppose "dogmatism" of that time was wrong. He also said that the many military colleges established after the founding of the People's Republic had achieved great successes, but later suffered two serious reverses. One was from oppose "regularization" and the other was from oppose "dogmatism." The words of the leading comrade of the Military Affairs Commission are in keeping with historical facts, and they have not only reaffirmed the past achievements of Comrade Bocheng in setting up military colleges, but are also of important actual significance in bringing order out of chaos on the orientation of army building and the policy of training.

Model for Communists

Comrade Bocheng has lofty communist moral character. He never takes advantage of his great merit or fame. He lives frugally and simply and is honest in performing his official duties. He is open and aboveboard, and is not afraid of shouldering responsibility. He is a model for us communists.

He is boundlessly loyal to the party and consistently submits to the leadership of the CPC Central Committee, the Central Military Commission and the party organization at various levels. He used to say: "When I joined the party, my oath was 'absolute obedience to the party.' Since then, I have always exhorted myself: I am a senior cadre of the revolutionary army led by the party, and I must be boundlessly loyal to the party. I must set myself up as an example and teach the troops under me to fully accept the unified leadership of the party and become glorious tools of the party." Comrade Bocheng has faithfully carried out the oath he took when he joined the party scores of years ago. At critical moments, he showed no fear of personal hazard in safeguarding the party organization. In the autumn of 1947, when Bai Chongxi dispatched more than 30 brigades to lay siege to Dabieshan, Comrade Bocheng was heading the evacuation of the organs of the Central China Bureau. When they were camped in the Beixiangdian district of Guangshan County, Henan Province, they happened to run into the enemy's 11th Division. Bocheng's first thought was for the safety of the Central China Bureau. When the comrades by his side urged him to quickly evacuate from the dangerous situation, he solemnly and firmly said: "I will not leave without establishing contact with the Central China Bureau." Five minutes passed, and then 10 minutes...it was not until the liaison staff reported that the Central China Bureau had safely evacuated that he would make his departure.

He can take the interests of the whole into account and make concessions. He has strong party spirit and good party work style. In 1939, he was dissatisfied with the blockhouse policy and positional warfare pushed by the leaders of the "leftist" line. He would neither give advice nor offer plans and was not tolerated by them. Using his quarrel with Le De as an excuse, the "leftist" leaders dismissed him from the post of chief of the general staff and assigned him as chief of staff of the 5th Army group. He was not dejected and said: "The practice of a year of battle has proved that the broad masses of cadres and fighters of our Red Army are brave and skillful in battle. However, there are problems in our strategy and tactics which must be changed." In 1936, when Zhang Guotao insisted on moving south and made a split with the party and the Red Army, he righteously pointed out: "The split is a mistake and will have no popular support!" Zhang Guotao consequently sent him to work in the Red Army University of the 4th Front Army. Comrade Bocheng took advantage of the opportunity to patiently propagate the correct advocation of the Central Committee to the cadres and, together with Comrade Zhu De, carried out a great deal of work in the leftist army. Particularly after the "oppose dogmatism movement" in his old age, he had no choice but to leave his leadership post at the military college. This aged but ambitious warhorse has actually lost its chance of galloping a thousand li. When I think of it, I feel sorry for him! However, even in his dotage Comrade Bocheng is still concerned about military defense matters and army building, and is always thinking and worrying about them. He called himself an "auxiliary staff officer." He is always thinking about what military work should be constructed on the border, which strategic highway should be quickly repaired and what should be done for urban civil air defense. When he has an idea, he will ask his staff officer to write it down and send it to the comrades of the Military Commission and the chief of the general staff for consideration. He donated more than 2,000 volumes of works on military matters he had collected over the years to what was then the Military and Political University. In the autumn of 1972, I paid a visit to Comrade Bocheng. The moment he saw me, he said: "You have come to teach at the Military and Political University? Good. I am already old. Make a success of the work."

He firmly believes that the masses are the makers of history. In June 1947, party, government and mass representatives from all walks of life in northern Hebei Province presented him with an embroidered inscription with the characters "Evervictorious general." He modestly said: "You have called me an evervictorious general. I really do not deserve this. I have not been always victorious. If I win most of the time that is already not bad. I only performed my duty under the leadership of Chairman Mao and Commander in Chief Zhu and with the support of the people in the rear areas. The credit should belong to the party and the people. I dare not claim credit for the achievement of other people. Without the civilians providing us with food and clothing, the army cannot fight in a war." These simple and unpretentious words are not a polite remark but his world outlook. He constantly educated the cadres: "Some of our cadres think that they have won this battle and I have won that battle, or, I have opened up this region and he has opened up that region. Actually, without the masses joining the army where does your army come from? Without the workers making clothes and guns, how can you win a battle without the workers making clothes and guns, how can you win a battle without clothes and guns? If the masses do not organize mass organizations and do not elect the political power, how can your region be opened up? Therefore, all the credit should belong to the working people. We ourselves are only members of the masses." This is the way he understands the relations between the generals and the masses. He has lectured the cadres on numerous occasions to explain this viewpoint and to oppose the tendency of claiming credit for oneself and becoming arrogant.

On Comrade Bocheng's 50th birthday, Comrade Deng Xiaoping composed an essay to him: "His fervent love for the country, the people and his party is a fine quality every communist must possess. Our Comrade Bocheng not only possesses this quality, but he has also dedicated his whole life to the country, the people and his party." To learn from Comrade Bocheng, we must proceed by wholeheartedly dedicating our lives to the motherland, to the people and to the party.

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PROPERLY USING POWER ENTRUSTED BY THE PEOPLE--READING COMRADE MAO ZEDONG'S FIVE LETTERS TO RELATIVES AND FRIENDS

Beijing RED FLAG in Chinese No 16, 16 Aug 82 pp 10-11

[Article by RED FLAG commentator]

[Text] Comrade Mao Zedong's five letters to his relatives and friends, which are carried in this issue of our journal, were written from 1950 to 1957. They raised a serious question: How should the cadres of the party in power properly use the power the people entrusted to them; should they seek private gain for themselves or a few people, or work for the interests of the masses of people? An important factor is how they treat their relatives and friends. This is an important question concerning our party's nature and purpose. Comrade Mao Zedong's letters expounded the correct principles toward this question. They are brilliant examples for us in this respect.

The principles expounded in Comrade Mao Zedong's five letters can be summarized into the following three points: 1) Comrade Mao Zedong was very glad to hear from his relatives and friends about his "hometown situation." He hoped that they would "often write to me and tell me something about our hometown." While telling Comrade Mao Zedong about his "hometown situation," some relatives and friends also requested him to respond in one or two words about his hometown so as to directly help solve some problems. Comrade Mao Zedong politely declined their request. He said: "It is not appropriate to give independent and preferential consideration of the interests of a few localities." "As to local affairs, I would like to collect some materials for reference. But I would not, and indeed should not, directly handle local problems of a general nature, because that would embarrass the local party committee and government." 2) To those relatives and friends who asked for help in finding jobs or admission to a school, Comrade Mao Zedong politely declined and furthermore patiently tried to educate them. In his letter to Wen Nansong he wrote: "As to Yunchang's work, it is inadvisable that he get a job through my recommendation. He should do something among the people and win their faith before he can get a job." In his letter to Sun Peijun he wrote: "It is not suitable for me to write to the school, so far as your study at a higher school is concerned, whether you can be admitted should be decided by the school only." 3) Comrade Mao Zedong advised the party branch and government of

Shicheng township to supervise and educate his relatives and "not to feel awkward or balk at criticizing their shortcomings, mistakes and backwardness because they are my relatives." He said that he hoped his relatives would be "treated exactly the same as the masses and would not be given any preference." In short, the main spirit of Comrade Mao Zedong's five letters can be summed up as follows: Never use one's position and power to seek private interests and preferential treatment for one's relatives, friends and hometown, strictly require one's relatives and friends "not to seek privilege," and resolutely support the party and government organizations to criticize and deal with the shortcomings and mistakes of one's relatives and friends. This is the attitude Comrade Mao Zedong adopted toward his relatives and friends. It is also the only correct communist attitude.

Comrade Mao Zedong set a good example in this respect. So did many other veteran proletarian revolutionaries like Zhou Enlai, Liu Shaoqi and Zhu De and the majority of the thousands upon thousands of high and middle-ranking officials and grassroots cadres. Since they acted in strict accordance with the party's principles, set strict demands on their relatives and friends as well as on their own children, asking them not to seek privilege, and did not use their positions and power to seek private gain for their relatives, friends and children, they won the trust and admiration of the people. Comrade Luo Shunchu, a former leader of the consultative group of the PLA Shenyang units and a veteran Red Army soldier, set strict demands on himself and his children throughout his life. He fostered a revolutionary atmosphere in his family. Facts show that there are many such examples within our party. This is a good tendency and a fine tradition of our party.

Not using one's position and power to seek personal gain for one's relatives and friends is a principle determined by the nature of our party. Marx and Engels pointed out in their "Communist Manifesto": "All previous movements were movements of a few people, or movements for the interests of a few people. The movements of the proletariat are, however, movements of the majority and are for the interests of the majority of people." ("Selected Works of Marx and Engels," Vol 1, p 262) Ours is a proletarian political party which seeks the interests of the majority of the people. Every party member, especially every cadre, has the duty of serving the people heart and soul, and is granted no privileges. If a cadre thinks that he is a cut above other people and certainly has the privilege to seek personal gain for his wife and children and other relatives and friends, then he is running counter to the purpose of the Communist Party, and what he does does not conform to the description and role of a party member and a cadre.

During the decade of internal disorder, the Lin Biao and Jiang Qing counterrevolutionary cliques seriously damaged our party's work style through their factionalist and illegal activities. They preached such fallacies as "power means everything" and "power may expire and become invalid," which greatly corroded people's minds. Their pernicious influence on some cadres has not yet been totally eliminated. An example of this is that some cadres have not acted according to principles in treating their relatives and friends. They have placed their family or personal relationship above the revolutionary relationship and have taken advantage of their position and power to solve such problems as school enrollment, employment, joining the party, receiving a promotion, going abroad and returning to work in cities for their relatives and friends through improper or illegal channels. When their relatives and friends committed mistakes or crimes, they tried all possible means to protect them and cover up their mistakes and evil deeds, or even took advantage of their power to bully others so as to obstruct the execution of discipline and the laws. Another expression is that some "warmhearted people" have, under the pretext of "caring for comrades and showing consideration for leaders," sought personal gains by various means for the relatives, friends and children of their leaders and friends. They have actually attempted to seek preferential treatment for themselves and their relatives, friends and children by fawning over their leaders. Instead of regarding it as a disgrace, they took it as an honor. They did not realize that this is a reflection on themselves of a feudalist privilege mentality and the corrosive bourgeois ideology.

The socialist system is a new social system. Under this system, the relationship between man and man, including the relationship between family members and relatives and friends, must first be comradeship on the basis of revolutionary principles. Every party member and cadre must closely relate his family, relatives and friends to the destiny of the state, the nation and the people. The interests of the former must never be placed above the fundamental interests of the latter. Like a mirror, the attitude of a party member and cadre toward his family, relatives and friends clearly reflects his party spirit and work style. It also has an important bearing on the relationship between the party and the masses. After the founding of the PRC, Comrade Zhou Enlai repeatedly stressed that cadres must pass "five tests," that is, the ideological test, the political test, the social test, and test of relatives and friends, and the test of hard life. At present, under the new historical conditions, it is necessary for our party members and cadres to check themselves again to see whether they have successfully passed these tests.

Lu Xun said: "Not exactly all passionless men are real heroes." We communists have never denied the passionate feelings between relatives and friends and have never prohibited people from establishing normal contacts with their relatives and friends. However, we have our own principles in dealing with these feelings and contacts. We hold that personal feelings must be related to the passionate feelings toward the peoples, and the former must never be played above the latter. Personal relationships must be subordinate to the revolutionary relationships and must never surpass the latter. When one's relatives and friends commit mistakes or crimes, one must not protect them and try to cover up their mistakes and evil deeds. One must not protect "private feelings" at the expense of "public laws." In short, in treating our relatives and friends, we must always adhere to the party's stand and principles and always have our party's purpose in mind. In this respect, we must earnestly learn from the proletarian revolutionaries of the older generation represented by Comrade Mao Zedong, and actually follow their examples in our actions. We must all learn something from Comrade Mao Zedong's five letters to his relatives and friends, raise our consciousness and unify our understanding so that we can encourage each other to properly use the power entrusted by the people and advance forward side by side.

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COMMUNISTS SHOULD UPHOLD PRINCIPLES IN HANDLING FAMILY PROBLEMS

Beijing RED FLAG in Chinese No 16, 16 Aug 82 pp 12-13, 40

[Article by Zhu Yan [2612 1484]]

[Text] The Communist Party has nearly 40 million members, every one with his or her own relatives and family. Communist Party members, as the leading section of the proletariat class must, when dealing with the problems of relations between family members and relatives, uphold the party line and certain principles. The most important thing is that they set an example while teaching and helping their family and other relatives that the most important thing is to act for the benefit of the party and the people, that the good of the party and the people must come before the good of the individual or the small family unit, and to prevent or correct any actions which might be damaging to the good of the party or the people.

Of course, it should be made very clear that the vast majority of party members carry out such duties very well. The older generation of proletariat revolutionaries and various other outstanding communists may all be cited as paragons of the communist way of thinking in terms of their correct handling of family problems. However, we cannot ignore the fact that some communists, including some leading cadres, do not perform their duties well in this area; one might even say in some cases, that they are very bad. Some choose to socialize and never talk about anything of any importance with their families, tend to spoil and pamper their children, creating very unfavorable tendencies which then go unchecked and become overlenient. Some tend to take advantage of their position and use the back door for their families and relatives, helping them to do such things as move to the city, to school, get jobs or receive promotions. Some, in a brazen attempt to satisfy the unreasonable demands of their families, take over organizational distribution and actually make alterations in work conditions, while others find every means possible to create a "nest of hedonism" for their families. There are still others who resort to deception so that their children or other relatives may go to Hong Kong or leave China without a care for the integrity of the country or the individual. But what is of a more serious nature are those who either overtly or covertly support and connive with their families to engage in smuggling and illegal selling as well as speculation, swindling and corruption. Some even directly involve themselves and their families in such fraudulent and illegal activities. Such phenomena are clear illustrations of the egoism of the capitalist classes which has developed in the hearts of some communists and their families, causing them to lose their original leadership spirit. Not only do such people harm the great reputation of the Communist Party, they also damage the party structure and are a very bad influence on the general mood of society. Every level of the party structure must take a serious look at this problem, and make every effort to rectify it.

The Communist Party of China is a well-formed and tested proletariat political party armed with the philosophy of Mao Zedong and Marxism and Leninism. Not only does it take a serious attitude toward and openly expose and criticize negative elements within the party, it must also rely on its own strength to overcome these negative elements, transforming bad into good, educating every party member and strengthening the party structure. The party's history already speaks for itself in terms of such determination. Examples such as the smashing of the "gang of four," the restoration of order after chaos and the correct rerouting of the party line are all evidence enough. The party has already made great efforts to correct the mistakes of some communists in their handling of family problems including the severe punishment of some very bad criminal elements. The extremely important task now before us is to clarify to a greater extent the principles of family behavior to each party member and to set up a correct and revolutionary view of the family.

The family is a cell within society and family relations always reflect a certain historically developed stage in production relations. In China, both the victory of the revolutionary task of the people and the transformation by socialism of the previous system of private ownership of the means of production are basically finished, necessitating the establishment of a new form of socialist family relations. Within this new kind of family, not only is it necessary to destroy the outdated idea of subordination of one family member to another, which is rooted in the basis of the system of private ownership of the means of production, but it is also vital to reestablish new relations between the family and society. In other words we must bind tightly together the happiness and pleasures of each family with the future and destiny of countless millions of others as well as the future and destiny of our socialist homeland. The families of Communist Party members should become models for this new kind of family. Every single party member, regardless of his or her position within the family, should adopt philosophies and actions of this advanced core of the proletariat to influence and guide every member of the family, strictly adhering to party philosophies and principles to eradicate contradictions within family life and should strive to create unified harmony within the family to form a revolutionary collective struggling together for the causes of socialism.

Should the Communist Party lay down principles related to family love? Of course it should. But it is not the feudal and patriarchal kind of love that is reflected in the old sayings such as "When a man goes to heaven so does his entire family," nor is it the vulgar love of the bottom levels of the capitalist classes which takes enjoyment and money as its central themes.

It is instead a love emanating from a Communist Party member, under the guidance of the party and its principles, helping to unite the spirit of his family and relations with the revolutionary cause of the proletariat. He or she should promote mutual concern, consideration, help and understanding with his or her spouse, parents, children and other relatives. But anyone who wants to put the narrow confines of the family above the good of the party, the country and the people, is contravening a law of the party and the government and is committing a crime against the moral principles of socialism and communism. Under the conditions of socialism, if the good of the individual family is put above the good of the country and the people, a conflict will arise, often resulting in undesired results which in the long run are bad for the country, the people and the individual family.

In dealing with the question of whether a party member is correctly upholding party principles when dealing with family problems it is important to examine, after he or she has come to terms with power they possess, whether they are abusing this power to benefit their family.

After the Communist Party began to rule the country, many party members were given certain powers and thereafter lived for a long time in a peaceful environment, with a stable family life and ever-increasing family relations. Among some party members, the number of cadres who became more involved in family affairs and their children's situations increased and we saw the appearance of some people who wanted to use their powers within the family to gain special "favors and allowances." Under this situation our comrades were faced with the problem of how to correctly manipulate the powers bestowed on the people. The question of whether our party members are able to stand up to this sort of test or whether or not they have good family relations is not a question related to individuals, but is a question of great concern to the whole positive or negative mood within the Communist Party. If some people decide to adopt an attitude of abusing the power they have been given and wasting their time while gaining advantages for their own families by means of the power they possess, then the power bestowed on them becomes abused and lessens in quality, they themselves are abusing their positions as public servants and there is even a danger of overturning the stability of the society. In order to avoid this danger, the party has for many years stressed the importance of correcting these few errant communists and cadres. It is clearly stated in "Concerning the Principles of Political Life Within the Communist Party" that it is forbidden for anyone to abuse their power to gain benefits for their own family, it is forbidden for anyone to separate public and private and to use public office for private gain. Furthermore, it is forbidden for any leader or cadre to transgress any of the party's criteria and structural principles for cadres or to promote or aid the promotion to a leadership position of any member of one's family. It is forbidden for anyone to reveal state or party secrets to family members, and no one may overstep one's authority and meddle in the work of the party or state or see to it that a family member is placed in a position of crucial importance in relation to one's own position. Such rules reflect the fundamental good of the party, the country and the people and in addition embodies the expectations and respect of the party and the people toward the party members and hence, every self-respecting self-possessed party member, especially leading cadres, should without exception strictly observe these guidelines or rules.

Communists who uphold these principles in handling family problems should not simply handle each problem one at a time but should constantly strengthen education along the party lines, encouraging and giving support to using communist thinking in fighting against individualism and other nonproletariat thinking. While creating an objective world, every party member should consciously build a subjective world and firmly establish a communist world view and morality and build up strength to resist the corrosive influence of exploitive capitalist thinking. It should be said here that most Communist Party members have already reached this level of consciousness, but there will always be a certain number of people who lack such a consciousness and indeed under some circumstances it can occur that those with consciousness may lose it. Thus the importance of party member and cadre consciousness must be stressed. In addition we must have supervision by the organization and supervision by the masses, as one is vital to the other. Recently the supervision of cadres by the masses has intensified and the number of people who have dared to criticize those who abuse power to their own ends has increased. Initially this was a very good thing but later many cadres began to feel awkward about the situation and started to use their powers to pressure or carry out reprisals against their critics. Obviously the party cannot in any way ignore these "special party members," and the more they concern themselves with their families and themselves, the greater the necessity for strict supervision. The recently investigated economic criminal cases helped step up the supervision by the organization and by the masses and made a move toward helping to solve some of these problems. Such problems which are present in any areas or departments should be immediately investigated by party members in authority, thereby helping to strengthen softened and lapsed party structures. We must encourage and insist on finding those cadres and party members from conniving and protective families who have committed various crimes and get them to quickly correct their mistakes and severely punish those who instigate or participate in activities and crimes involving family members and who refuse to repent and mend their ways. We believe that if the whole party works with unremitting efforts we can achieve these goals and thereby deeply impress and educate the wide spectrum of party members and cadres with the party line. In this way, not only will we be able to put a relatively quick stop to the incorrect thinking of some party members in terms of their family problems, but at the same time we will be able to encourage all Communist Party members to conscientiously strive toward the establishment of a new kind of family setup which will correspond to the principles of socialism. This without a doubt would have a deep influence on and be felt by the millions of families in China, resulting in an improvement and change in the mood of society, both in the cities and the countryside, and would powerfully spread the material, cultural and spiritual facts of socialism.

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ON THE WORKING CLASS AFTER THE ELIMINATION OF THE BOURGEOISIE AS AN EXPLOITING CLASS IN OUR COUNTRY

Beijing RED FLAG in Chinese No 16, 16 Aug 82 pp 14-18

[Article by Yu Yannan [2456 3601 0589]]

> [Text] Editor's Note: From this issue onwards, this publication will publish a series of articles on the current situation of the working class in our country. These articles will later be compiled into a book by the RED FLAG Publishing House.

Over the past 30 years or more since the founding of the country and in the wake of the advancement of our country's socialist cause, the contingent of our country's working class has greatly developed. According to statistics, the total number of workers in the country was 8 million in 1949 and was 109 million in 1981, an increase of more than 1,200 percent. In 1949, there were only 3.9 million industrial workers who formed the main body of the working class--workers of the units owned by the whole people including industrial, capital construction, communications and transportation, and postal and telecommunications units, but the number was raised to 46 million in 1981, showing an increase of about 1,100 percent. In 1952, there were only 164,000 engineers and technicians in the units owned by the whole people, but the number rose to 1.862 million in 1980, showing an increase of more than 1,000 percent. In 1981, the proportion that workers occupied in the country's total urban population was raised to about 60 percent from 14 percent in 1949. Of this, the proportion that industrial workers working in units owned by the whole people occupied in the country's total urban population also rose to 35 percent from 7 percent in 1949. In certain medium-size industrial cities such as Changzhou, Yangzhou, Wuxi and Suzhou in Jiangsu, the number of workers already accounts for over 60 percent of the total urban population. Before the founding of the country, the output from modernized industry only accounted for about 10 percent of the GNP, and in 1981, the proportion of industrial output in the GNP was raised to above 70 percent. This is a great historical change. This change has, and is still playing, a very important role in our country's socialist modernization drive, the consolidation and perfection of our country's socialist system, the development of our party's ideology, politics and organizational construction and the development of our entire economic life, political life, cultural life and other aspects of life.

The status and role of the greatly developed and strengthened working class in our country in state life and social life, and its labor situation, ideological and political situation, cultural and educational situation and other situations not only represent to a large extent the development of our country's economic, political and cultural situation, but also inevitably exert great influence on other social classes and people of various classes and exert great influence on the development and future of the party and the state. Thus, we must attach great importance to investigation and research into the situation of the working class under the socialist conditions and into the ideological, political and organizational construction of the contingent of the working class. In addition, we must raise the level of our work concerning the working class to the important agenda of various party and government departments at all levels.

Currently, some comrades both inside and outside the party fail to correctly understand the historical relation of the unity of opposites of mutual interdependence between the bourgeoisie and the proletariat and that they are prerequisites for one another. They hold the view that since the bourgeoisie in our country has been fundamentally eliminated as an exploiting class, the working class as its antithesis will discontinue to exist as a class. This view fundamentally distorts the actual social situation of our country and seriously affects work in many respects. This view accounts for many problems that we encounter in actual practice such as neglecting the building of the contingent of the working class, giving up education among the working class, slackening efforts in giving play to the advanced role of the working class, not being enthusiastic enough in imbuing the peasants and masses with the ideology of the working class, thinking that everything is unanimous between the working class, peasants and intellectuals judging by their unanimous fundamental interests, and denying class distinctions in a socialist society. Thus, we think that when talking about the question of the working class now and discussing the building of the contingent of the working class, we must primarily clarify this incorrect view. We must unswervingly affirm both inside and outside the party the basic Marxist view that when the bourgeoisie has been eliminated as an exploiting class, the working class will not only exist but will become a strong and advanced class for a long time, a leading class and the principal force of a socialist society, and that it will exert great influence on other classes and strata.

Undoubtedly, like all other classes and all other historical phenomena, the bourgeoisie and the working class come into being and develop in history, and must all become extinct in history. However, we cannot naively interpret this conclusion of development laws which has been highly generalized and the relation of the unity of opposites between two antagonistic classes as meaning that they can come into being in the same morning and become extinct in the same morning. In history, except for the simultaneous elimination of the two antagonistic classes of slaveowners and slaves, the two antagonistic classes of landlords and peasants have not been simultaneously eliminated in the wake of the abolition of the feudal system of exploitation and it is impossible for the two antagonistic classes of the bourgeoisie and the working class to be simultaneously eliminated in the wake of the abolition of the bourgeois system of exploitation. In our country, with the abolition of the feudal system of exploitation, the landlords were eliminated as the exploiting class. However, the class of peasants still existed and has started off on the socialist road after undergoing socialist transformation of the system of private ownership of the means of production. After socialist transformation was basically completed, our country's bourgeoisie was also basically eliminated as an exploiting class. However, the working class was not eliminated in the wake of the elimination of the bourgeoisie but has become stronger. Today, the Chinese working class, as the representative of the advanced productive forces and production relations, is standing like a giant in the Orient. By means of its vanguard force--the Communist Party of China, it leads the PRC and the Chinese people in carrying out the great cause of socialist modernization, and is playing an important role in world affairs. Why? Does this violate the law of the unity of opposites or violate the historical law of development that socialism means eliminating classes? The answer is absolutely no. Fundamentally speaking, the continued existence, and existence for long years to come, of the working class and the peasants in our country is attributable to the fact that our country's social productive forces are still far behind the standard required for eliminating all classes and class distinctions and that the Chinese working class has not yet fulfilled the mission entrusted to it by history.

The historical mission of socialism, in simple words, is to eliminate classes and prepare conditions for ultimately making the transition to a proletarian communist society. This is also the great historical mission shouldered by the working class. This point has already been expounded in Marxist theories. However, actual socialist practice has shown that elimination of classes is a lengthy and complicated historical process. This historical process must be realized in two stages: First, the working class and its vanguard force must lead and unite the broad masses of people, eliminate the system of exploitation and the exploiting class by means of a socialist revolution, and consequently, eliminate in history the class distinction between the exploiting class and the exploited whose fundamental interests contradict each other and are antagonistic to each other; then, by fully developing the social productive forces and creating conditions in various aspects over a long period of time, eliminate the class distinction which is of a consistent nature between the working class and the peasants, who enjoy the unanimous fundamental interests of the laboring masses, and eliminate other social distinctions, and consequently eliminate the working class itself and push society forward to communism based on a proletarian structure. Only by realizing these two steps can the working class ultimately fulfill its historical mission. The historical process of class elimination can only advance on the road determined by this objective law. In our country, it is absolutely impossible for the working class to eliminate all class distinctions and other major social distinctions in social life in a short time. This is because our country was originally a semicolonial and semifeudal state and has never undergone a stage in which capitalism was fully and independently developed. As a result, social, economic and cultural development were backward. Although the establishment of the socialist system has opened up a wider channel for the development of the productive forces, our country's current level of development of productive forces is still rather low. The elimination of the class distinction between the workers and peasants, the distinction between the urban and rural areas, the distinction between physical and mental labor and other major social distinctions as a result of insufficient development of the productive forces can only be realized on the basis of achieving a rapid development of the social productive forces and improvement of the cultural and educational level and political awareness. Thus it is a fairly difficult and lengthy task which is necessary for eliminating the system of exploitation and the exploiting class. It is necessary to undergo a long historical development process before we can fulfill this historical mission. Since the development of the social productive forces progresses step by step, the historical process of eliminating the distinction between workers and peasants, the urban and rural distinction and the physical and mental labor distinction inevitably bears the historical characteristic of progressing step by step. As far as the basic content and basic orientation of this historical process is concerned, it is a process in which the working class transforms the whole society according to their own image and is also a process of working-classizing [gong ren jie ji hua 1562 0086 7132 4787 0553] all members of the society. In the wake of the gradual improvement of the social productive forces and the social cultural and educational level, class distinction and social distinctions are gradually reduced, the peasants and other members of the society are gradually more closely connected with the workers. When all the members of the society have become working-classized, these distinctions will be eliminated. Thus, in this long historical process of progressing step by step, the working class gives fuller play to its advanced role and its contingent becomes stronger. All this totally complies with the laws and with dialectics which governs the development of history.

In our country, it is impossible, in a short time, to eliminate all class distinctions and other major social distinctions or to completely eliminate the social phenomenon of class struggle from our country's social life. To be sure, we have eliminated the system of exploitation, eliminated the bourgeoisie and other exploiting classes, and have consequently eliminated class struggle between the exploiting class and the exploited. Undoubtedly, this is a critical step for the working class in our country in the course of fulfilling its historical mission of achieving the elimination of its own class, class struggle and class distinctions. We absolutely cannot underestimate its great significance and role. However, class struggle has not completely ceased and it will continue to exist for a long time within certain limits in our country's society. When we say that the bourgeoisie has been eliminated in our country, we mean that this class has been eliminated on the mainland of our country. This class still exists as a whole exploiting class in Taiwan, Hong Kong and Macao and still plays the roles determined by its class interests and class nature. Outside the country, the capitalist system and the bourgeoisie still exist. Capitalism is an international phenomenon. Similarly, the existence of the working class is also an international phenomenon. The working class' struggle against capitalism is inevitably a class struggle within international limits. Class struggle in a socialist society is related with the class struggle within international bounds. Our socialist modernization cause cannot be carried out by closing the country to international intercourse, we must adopt and adhere to the open-door policy and, on the basis of upholding the principle of equality and mutual benefit, develop economic, trade and cultural intercourse with various countries in the world including many capitalist countries. Under the circumstances of incessantly expanding the situation of being open to foreign countries, the foreign bourgeoisie will inevitably and greatly affect, infiltrate and corrupt our country's social life. Thus, the Chinese working class will shoulder tougher tasks of struggle in opposing and overcoming such influences, infiltration and corruption. At the same time, due to the fact that the semicolonial and semifeudal system in our country has only been overthrown for a short time and that the feudal class and the bourgeoisie have only been eliminated for a short time, their traces cannot be completely wiped out in the wake of their overthrow and elimination. Because our socialist system is still in a stage of initial development, is far from being perfect and well-established and does not have the essential economic, political and social conditions which enable us to completely get rid of the hostile elements, there still exist in our society various hostile elements who deliberately sabotage and subvert the socialist system. These hostile elements include the small number of former counterrevolutionaries, enemy agents, a small number of old exploiting elements who still uphold a reactionary stand, certain new counterrevolutionaries, new exploiters who are engaged in corruption and theft, speculative activities and smuggling and selling of contraband, and those people who jeopardize socialism. We stress that class struggle will continue to exist within certain limits in our country, and this class struggle within certain limits mainly means the struggle between the people and these hostile elements. With regard to these hostile elements, the working class, peasants and the intellectuals must maintain sharp vigilance and must exercise powerful dictatorship over them by means of the state power of the people's democratic dictatorship. In addition, among the people, due to the influence of the system of exploitation and the exploiting class outside socialist society and the remnant ideological influence of the exploiting class, bourgeois and nonproletarian ideas and deeds such as bourgeois liberalization, anarchism, and extreme individualism exist among a certain number of people. All these ideas and deeds contradict the interests of the socialist system, the working class and all the people. Generally speaking, this contradiction, among various social contradictions of a socialist society, is one which embodies the nature of class struggle. However, it belongs to a kind of contradiction among the people. This contradiction is still very commonly found in our current socialist society. Thus, it is necessary for the working class and the majority of the people to adopt appropriate methods, mainly the method of criticism and active ideological struggle. to overcome these ideas and deeds so that the contradiction will be effectively solved.

In light of the above analysis, we can clearly see that the Chinese working class must still make more arduous efforts and more contributions in order to complete its historical journey and fulfill its historical mission of eliminating all class struggle phenomena and all class distinctions within our society. This will only be achieved in the remote future. Before the completion of the historical journey, the working class as a class will not disappear from our country's political and social arena.

Some comrades do not deny that the working class, as a class, still exists in our country. However, they hold that today's working class is no longer the working class in the same sense as before, and that the definitions given by Lenin of the working class and other classes no longer apply to their modern counterparts. We do not recognize such a viewpoint as being correct. The working class, like all other things that emerge and finally vanish in history, has to undergo a course of development. In this course, it inevitably undergoes changes of some kind. Following the victories of the new democratic revolution and socialist revolution in our country, the working class of our country has indeed experienced enormous changes and now has a new face and new characteristics. These changes include the change of its status from a ruled class in the past to the ruling class in the new society, from wage laborers who did not possess means of production in the past to the masters of the new society who own the means of production today; the constant enrichment and development of its inherent class character during the continuous social practice in the new historical conditions; and so on. This is not only the case of the working class. The peasantry has also undergone considerable changes, which can be seen in the change in its status from a class of small property owners in the past to the peasantry which is organized under the system of collective ownership in socialist society today, the noticeable improvement of its cultural, technical and ideological levels, and so on. But, in general, the working class has not lost its original nature despite these changes. And, as a legacy of the class society in history, the class difference between the workers and the peasants has not vanished because of these changes either; their relations with the means of production are still different (the labor of the working class is mainly based on the system of ownership by the whole people, while that of the peasantry is mainly linked to the system of collective ownership); and their roles in the organization of social labor, their concrete forms in the distribution of social revenue and social alimony are also different from each other. These several aspects are exactly the basic characteristics which Lenin pointed out in his "A Great Beginning" and other articles to distinguish between different classes. Therefore, although socialist society, by eliminating the system of private ownership of the means of production, has eliminated the demarcation line which divided the members of a society into a group of people who owned the means of production and another group of people who did not own the means of production, every member of society is not completely equal in terms of their relationship with the means of production. Lenin's definition of class is by no means completely outdated. It basically applies to all classes in socialist society. We should interpret the changes, which our country's working class has undergone since the victory of the revolution, and the abolition of the bourgeoisie as an exploiting class, as inevitable phenomena which China's working class, as the rival of China's bourgeoisie, working class, had to experience in the long and uncompleted course of its emergence, development and withering away.

In the final analysis, the history of mankind is a history which records the production of means of subsistence, and the struggle of the laboring people who are the producers of means of subsistence. This is the basic viewpoint of Marxism on the development of social history. In our socialist society, workers, peasants and intellectuals are the basic force in socialist construction, and therefore they play the main roles in historical evolution. Nevertheless, the working class remains the leading force of our society, and the most advanced and the best organized class with the highest political consciousness. The reason why our country's working class can play a leading role under socialist conditions is, first of all, because of its objective status in the system of socialist economic relations--most workers are working in enterprises under the system of ownership by the whole people which is the highest form of socialist ownership, and the economy under the control of the ownership by the whole people is the leading and decisive factor in our country's national economy. In the second place, it is because our country's working class has been linked to socialized mass production since its emergence in history, has stood the tests of revolutionary struggle over a long period of time, has obtained rich experiences in revolution, and has cultivated a high degree of collectivist spirit and sense of revolution, organization and discipline. Furthermore, in the practice of socialist construction, our country's working class has constantly improved its political quality and quality in other aspects. For the above reasons, the leading status and role of our country's working class in socialist society is an objective existence independent of man's will. And this status and role of the working class will never change even though there are various temporary negative factors within the class.

Of course, our country's working class cannot spontaneously exercise its leadership of socialist construction but mainly leads it through the activities and work of its vanguard--the CPC. The party is the force at the core leading the socialist cause forward. The leadership of the working class is embodied in the formulation and implementation of the party's line, guiding principles and policies; in the political work, organizational work and other work of the party; in the education carried out by the party for the whole people with the communist ideological system and, of course, also in the advanced ideology and exemplary acts of the members of the working class which may influence, and thus bring along, the broad masses of the people. Without the party's activities and work, the leadership of the working class can never be realized since the prerequisite and guarantee for exercising such leadership do not then exist. During the 10 years of turbulence, in flaunting the banner of the working class as the leading class, and in "promoting revolution by discarding the leadership of party committees," Lin Biao and the "gang of four" replaced the leadership of party committees at various levels with worker propaganda teams. They directly gave orders and thus vigorously distorted and destroyed the position and role of the working class in history, and seriously spoiled the working class' reputation. Such pernicious influence left behind by them must be thoroughly eliminated. In order to correctly and effectively exercise its own leadership, and to represent the working class' will and accomplish the working class' historical mission in a better way, the party undoubtedly has to conscientiously attach importance to constantly maintaining close ties with the working class, unremittingly absorb wisdom and strength from the working class, and give full play to the advanced role of the broad masses of workers in the life of the state and the life of society.

As Lenin pointed out, "The main thing in the doctrine of Marx is that it brings out the historic role of the proletariat as the builder of a socialist society." ("Selected Works of Lenin," Vol 2, p 437) Today, to more thoroughly elaborate on the position and role of the working class in the construction of our country's socialist modernization in light of our new historical conditions and new historical mission after the elimination of the bourgeoisie and other exploiting classes in our country remains an important task in our party's Marxist ideological work. We must conscientiously redress some wrong viewpoints which, stating that our country's working class no longer exists as a class, and so on, do not conform with the objective reality in our country and go against Marxism. Moreover, in view of the present situation that the working class' sense of class has been worked, we need to adopt various vivid forms to strengthen the correct propaganda on the historical position, the historical mission and advanced role of the working class so as to promote the class consciousness of the working class, reinforce the sense of class of the working class, arouse the sense of glory and sense of responsibility of the working class, and thus push ahead with the building of work class contingent.

Do we mean that the working class should enjoy any privilege when we emphasize the working class' leading position and role in socialist social life? Of course not. On the contrary, we just mean that the working class has to undertake an arduous historical mission with regard to the future of the state, the nation and the people, and with regard to the future of the socialist cause. Acknowledging this historical mission of the working class in no way means to play down the role of the people belonging to other classes and strata in the socialist construction. It is under the party's leadership and through firm unity and close cooperation with the whole people that the working class will fulfill its historical function and unremittingly push ahead the socialist cause.

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ON THE BASIC CHARACTERISTICS AND CONTENTS OF THE DRAFT OF THE REVISED CONSTITUTION

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[Article by Lu Zhichao [4151 0037 6389]]

[Text] After the "Draft of the Revised PRC Constitution" was promulgated, the people of all nationalities throughout the country held warm discussions on it and deemed that this is a fairly good draft of the constitution which tallies with the needs of the Chinese people at present and for a considerably long time. In order to do better work in the discussion by the entire people on the draft of the constitution and its further revision, it is quite necessary to both theoretically and politically understand the basic characteristics and contents of this draft.

The Basic Characteristics of the Draft

With the exception of "A Common Program" which was similar to a provisional constitution, the 1954 constitution was the first constitution that China ever promulgated following the founding of the PRC. At that time, we were in a stage of transition from new democracy to socialism. Under the leadership of the CPC, the Chinese people seized the state power and established the people's democratic dictatorship, led by the working class and based on the alliance of workers and peasants. However, the socialist social system had not yet been set up. The major tasks of the Chinese people were to further consolidate and develop the people's democratic system and to realize socialist industrialization and the socialist transformation of individual farming, the handicrafts and capitalist industry and commerce step by step by relying on this state system. All these matters were fully reflected in the 1954 constitution. At that time, Comrade Mao Zedong said: "This constitution of ours is a socialist-type constitution but is still not yet a socialist constitution in the full sense. It is a constitution for the transitional period." This remark summarized the characteristics of the 1954 constitution quite well. As the first constitution after the founding of the PRC, the 1954 constitution summed up the long years of experience of the Chinese revolution, affirmed the socialist component parts and defined the orientation of building socialism. It was of immediate significance not only at that time but many of its basic principles and basic institutions were also of long-term significance to our country. Therefore, it can become the foundation for us today to revise the constitution.

China's socialist transformation of the private ownership of the means of production was basically completed in 1956. Since then, the stage for all-round socialist construction has begun. On the one hand, major achievements were scored and rich experiences were gained in China's economic and political construction and educational, scientific and cultural undertakings, and on the other hand, for quite a long time, grave mistakes were committed. In regard to the work of the party and the state, we failed for 20 years to conscientiously and unswervingly shift the work onto the course which takes economic construction as its center. This was an extremely profound lesson. The aim of revolution is, of course, to liberate the productive forces. Overthrowing the rule of the reactionaries, establishing the state's power of the people's democratic dictatorship, eliminating the exploitative system and setting up the socialist system are all aimed at removing the obstacles of the development of productive forces. When the obstacles are basically removed, the contradiction between the increasingly growing demand by the people for material goods and culture and the backward social production will naturally become the principal contradiction which China has to solve; and in addition, concentrating our efforts on developing the social productive forces and carrying out the socialist modernization program with economic construction as the center should naturally become the main task of the people throughout the nation and the focus of work of the party and the state; and all other types of work, including the class struggle which is carried out in accordance with actual conditions, should center on and serve this main task. We have taken a long roundabout path because of the failure to correctly understand and solve this problem, both in theory and practice, and even committed the grave error of the "Great Cultural Revolution," an error comprehensive in magnitude and protracted in duration. It was precisely at this stage, when we took a roundabout course and committed errors, that the 1975 constitution was promulgated. It reflected China's extremely abnormal political life during the "Great Cultural Revolution." The basic characteristics of this constitution were to affirm the theory on the "basic line," which took class struggle as the key link, and on the theory of "continued revolution under the dictatorship of the proletariat" in a form of fundamental law, and affirm the practice of the "Great Cultural Revolution." As a result, the central task of carrying out economic construction and developing the productive forces was squeezed to a much less important position.

The 1978 constitution was formulated shortly after the smashing of the Jiang Qing counterrevolutionary clique. Owing to historical conditions and cognitive restrictions, no fundamental changes were made in the 1975 constitution (nor in the serious shortcomings).

The 3d Plenary Session of the 11th CPC Central Committee held in December 1978 put an end to the course that hovered about erroneous theories and practice and began the new historical stage which took socialist modernization and the building of a high level of civilization and democracy as the fundamental task. It was only after several years of bringing order out of chaos since the 3d Plenary Session of the 11th CPC Central Committee, after the comprehensive and profound summarization of the basic historical experience since the founding of the PRC—a summarization made at the 6th Plenary Session of the 11th CPC Central Committee and in the situation in which not only the focus of work of the party and the state has been resolutely shifted to socialist modernization program but also many major reforms have been made in fields such as the systems of economy, politics and state leadership--that it is possible for our country to draw up a draft of the revised constitution as we have today.

In short, since the founding of the PRC, we have gone through three stages and promulgated four constitutions: the 1954 constitution, which correctly embodied the characteristics and tasks during the transitional period; the 1975 and 1978 constitutions, which reflected the faults and errors in our guiding ideology; and the new constitution, which is now under discussion among the entire people and will be adopted this year, a constitution which correctly embodies the characteristics and tasks of the new historical stage. History has taken a zigzag road. Our constitutions are its record.

Today we have gradually embarked on a new and victorious broad road. A road which is clear, definite and correct is stipulated in the draft of the revised constitution which is now under discussion. The basic characteristics of this draft of the revised constitution are as follows: First, it clearly defines the fundamental task of the Chinese people during the new historical stage and the bases, conditions and guarantee for fulfilling this task. The stipulations concerning the various fields, such as the tasks and principles of the economic and political systems and education, science and culture should center around and serve this fundamental task. The fundamental task of the new historical stage is both the center of our present work and our long-term goal of struggle. Therefore, the various stipulations of the draft of the revised constitution should be suited to China's current actual conditions on the one hand and should take China's relatively long-term development prospects into account. The principal contradiction and fundamental task of the new historical stage will not change for a considerably long historical period. The new constitution which correctly reflects this contradiction and task will also certainly contain the characteristic of long-term stability. Second, it has correctly and profoundly summed up historical experience. This draft of the revised constitution was promulgated after we had traversed a long course of historical twists and turns. Therefore it is a crystallization of historical experience. For example, regarding the fundamental task of socialist construction, the adherence to the four basic principles, the strengthening of the building of socialist democracy and socialist legality, the ensuring of the basic rights of citizens and of the inseparability of their rights from their duties, the safeguarding of social order and the state's laws and discipline, the reforms of the systems of economy, politics and state leadership and so on, it is impossible to formulate them in such a practical and concrete way. It is also impossible for the people to have such a profound understanding of them in a time when the socialist transformation was just basically completed and without the following 20-odd years of experiences, both positive and negative, and particularly without the lesson of the "Great Cultural Revolution." That is to say, the valuable experience for which hundreds and millions of people have paid a high price have now become a long-term constitution for running the country well and giving the people peace and security. Third, it continues to affirm the correct principles and systems since the founding of the PRC in a new sense. This draft has inherited and developed the basic principles of the 1954 constitution and reserved and reinstated many of its stipulations which are still suited to present conditions. However, this draft has enriched and developed the contents of the 1954 constitution rather than a simple reservation and revival of the 1954 constitution. For example, the stipulation of the draft on the people's democratic dictatorship led by the working class and based on the alliance of workers and peasants is largely the same as that of the 1954 constitution, but owing to the tremendous changes in the class situation in China's society over the past 20-odd years, its content has been considerably changed. Some of the stipulations concerning the system of people's congresses and the basic freedoms and rights of citizens are also basically and even completely the resurrection or revival of the clauses concerned of the 1954 constitution, but with 20 years and more of experiences full of complications, its meaning and the way the people understand it are entirely different from what it was in those years. It is precisely as one case and is the same motto for life. Its meaning is not at all identical, like the understanding between a juvenile who has not seen much of the world and an adult who has experienced the hardships of life. The draft of the revised constitution shows that the country and the people are becoming increasingly more mature in the course of building socialism.

The Basic Contents of the Draft

By the so-called basic contents, we mean, of course, the several important contents which are related to the characteristics and fundamental task of the new stage rather than the whole contents and stipulations. They are mainly as follows:

1. On the Socialist Economic System and Economic Construction

The socialist system is the basic system of the PRC. Its basis is the socialist economic system, that is, the socialist relations of production. When we say that the socialist system is an advanced system and has tremendous superiority, this is first because when compared with the old-time relations of production, the socialist relations of production are more commensurate with the nature of the development of productive forces. Over the 30-odd years since the founding of the PRC, although we failed to bring this superiority of the socialist economic system into full play, owing to lack of experience and committing repeated errors, there still have been innumerable facts proving its superiority and vitality. Upholding and unceasingly perfecting the socialist economic system is an important guarantee for us to win victory in the socialist modernization program. As the fundamental law of the state, the constitution must contain clear and definite stipulations on the socialist economic system and the principles and policies of the economic construction which are related to the socialist economic system.

The draft of the revised constitution on the socialist economy contains the most concrete and detailed clauses of all the previous constitutions since the founding of the PRC. From Article 6 to Article 19 of the "General Principles," there are 14 stipulations on the socialist economic system and the principles and policies of economic construction. These clauses are a summary of the 30-odd years of experiences and lessons and a record of the positive achievements of bringing order out of chaos and of the reforms of the economic system since the 3d Plenary Session of the 11th CPC Central Committee.

Usually, when we talk about the socialist economic system we first refer to the aspect of the basic principles of this system, such as the public ownership of the means of production, the distribution of the personal means of subsistence according to work done, the planned economy and so on. All the socialist countries during the whole socialist historical stage are the same in this respect. However, because of the difference in the various socioeconomic conditions, and particularly in the situation of the development of productive forces, the socialist economic system in different countries or in different historical stages of a country must have different concrete forms which are manifested in the various concrete systems and policies. To uphold the socialist economic system and give full play to the superiority of the socialist system, we must proceed from actual conditions and in light of the situation and requirements of the development of productive forces, create the concrete economic systems which are suited to the development of productive forces and carry out the principles and policies which are commensurate with the development of productive forces, and in addition, with the development of productive forces and the changes in the situation, we must constantly transform and perfect these concrete systems and policies. In reviewing the "leftist" errors we committed in our previous economic construction, we found that they were by and large related to the failure to correctly understand and solve this problem. For example, we imagined a set of fixed development patterns of the socialist relations of production by deviating from the actual conditions of the development of China's productive forces and we held that the larger the scale of public ownership, the more advanced its superiority would be; we imposed excessively rigid control on planning and management; in economic construction, we overlooked the principle of doing things in light of actual conditions and within the limits of our own capabilities; in economic activities with other countries, we one-sidedly understood the principle of self-reliance and thus emerged a situation in which the country was closed to international relations. Such circumstances were the results of the ossified and oversimplified understanding of the socialist economic system and economic construction, deviating from China's reality and violating the principle that the relations of production must correspond to the situation and requirements of the development of productive forces. Of course, while correcting these "leftist" errors, if we have doubts and take a wavering attitude toward the basic socialist economic system, for example, the public ownership of the means of production, the planned economy and the centralized and unified leadership of the state over the national economy and so on, our attitude is similarly quite wrong. Historical experience tells us that on the question of the socialist economic system and economic construction, it is necessary to integrate well the universal theory of Marxism with the concrete practice of the Chinese revolution and to integrate the principle of adhering to the basic socialist system with the flexibility of adopting various forms and methods in accordance with actual conditions. Since the 3d Plenary Session of the 11th CPC Central Committee, our party and state have carried out a policy of domestically revitalizing the economy and internationally opening up the door to other countries, reformed the economic system and readjusted the principles and policies of economic construction. The aim of all this is to solve the question of this "integration" and to discover appropriate forms and a correct path which uphold the socialist road and develop the socialist economy under the present conditions of our country.

The achievements gained both in understanding and practice in this respect since the 3d Plenary Session of the 11th CPC Central Committee have been fully absorbed in the draft of the revised constitution. First, on the question of the ownership system of the means of production, on the one hand, it holds that the basis of the socialist economic system is the state sector of the economy, that is, the economy under the ownership system owned by the whole people, is the "dominant force in the national economy" and that the various forms of the cooperative economy in the countryside and the cities and towns constitute a socialist sector of the economy collectively owned by the working people. In particular, an additional special clause is added, which stipulates in a relatively clear manner that mineral resources, water, forests, mountains, grasslands, underdeveloped lands, beaches and other natural resources, seas and land, are owned by the state or are collectively owned, thus ensuring the nature of the socialist public ownership of these basic and important means of production; at the same time, it clearly affirms the principle of "socialist public property shall be sacred and inviolable," and in accordance with this principle, it stipulates many concrete regulations in the clauses concerned. On the other hand, it still affirms that the various forms of the collective ownership system are in the cities and the countryside, that the individual economy of the urban and rural working people, within limits prescribed by law, is a complement to the socialist sector of the economy owned by the public, that the right of the peasants who are members of organizations of the rural collective economy to farm plots of agricultural and hilly land, engage in household sideline production and keep livestock for their own needs and affirms the various forms of the socialist responsibility system in operations and management, and so on. Second, on the question of the planning and management of the national economy, it clearly stipulates that the principle of "the state plans of the national economy on the basis of socialist public ownership" should be upheld, and at the same time, while affirming the supplementary role of regulation by market mechanism, it stipulates that "the state ensures the proportionate and coordinated development of the national economy through the comprehensive balancing of economic plans, with regulation by market mechanism as a subsidiary." In regard to state-run enterprises and collective economic organizations, in accordance with their different conditions, on the one hand, the draft separately stipulates that they should submit to the unified leadership of the state, carry out the state plan or accept the planning and guidance of the state and abide by the laws concerned, and on the other hand, it respectively stipulates the different forms of decisionmaking power gained by the two types of enterprises and the different forms of power of democratic management enjoyed by the working people of the enterprises. Third, on the question of the principles and policies of economic construction, it stipulates the aim and means of socialist production and the relationship between accumulation and consumption and between the state, the collective and the individual, and it affirms the principle of gradually improving the livelihood of the people on the basis of the development of production. Fourth, in accordance with the principle of developing the economic and technical cooperation with other countries on the condition of achieving independence and self-reliance through rejuvenation, an additional clause for permitting foreign enterprises or foreign individuals to invest in China or carry out various forms of economic cooperation in accordance with the provisions of state laws is stipulated in the draft, and so on. All this briefly records the achievements and orientation of the reforms of the economic system and the principles and policies of economic construction since the 3d Plenary Session of the 11th CPC Central Committee in the form of succinct and precise legal articles and thus embodies the integration of principle and flexibility. There are still many concrete problems concerning the economic system and economic policies which demand further exploration and solutions but the basic form and path have been clearly defined. It is of tremendous and long-term significance to the development of China's socialist economy to affirm them in the form of the fundamental law of the state.

2. On the Building of Socialist Spiritual Civilization

The development of civilization always includes material and spiritual aspects. Socialist construction undertakings similarly embrace two aspects: One is to develop the economy and create increasingly sophisticated conditions for material production and more and more material products and the other is to develop culture and enhance the ideological and moral levels. After the socialist system has been established, it is wrong not to place economic construction as the central task of the people all over the country; however, when the focus of the work of the state has been shifted to modern economic construction, it will also be wrong not to concurrently put the building of socialist spiritual civilization in an important position. This is because without the building of spiritual civilization, the people will be ignorant and backward and unable to free themselves from the old ideas and old habits which were shaped under the exploitative system and the private ownership of the means of production. This being the case, it is obvious that it is impossible to accomplish socialist modernization and also build a highly advanced material civilization. Furthermore, as a new social system, socialism must raise the socialist and communist political consciousness and moral level of the entire people and establish a new-type relationship between man and man in light of new ideas rather than confining itself to establish new-type economic ties and improving material living conditions. The socialist system was, as it should be, founded under the guidance of advanced and scientific ideology, and the continued advance of socialist society will surely be achieved under the guidance of this advanced ideology, and moreover this advanced ideology should be gradually spread among the whole body of the members of society. Otherwise, the socialist system cannot possibly develop healthily and there may even emerge a phenomenon of shrinkage and retrogression in this respect. Therefore, the building of socialist spiritual civilization is a question of fundamental importance concerning the consolidation and development of the socialist system. The constitution during the new historical period has to work out principled stipulations from various aspects on this question.

There are two main aspects in the draft of the revised constitution regarding the contents of spiritual civilization: One is to develop socialist education, science, public health and various cultural undertakings and the other is to encourage social virtues and educate the people on the ideas and ethics of communism.

Article 20 in the "General Principles" stipulates in principle the development of such undertakings as education, science and culture. In particular, the following clear stipulations have been drawn up concerning the educational system and tasks: 1) Universalize primary education and wipe out illiteracy. This is the prerequisite for raising the whole nation's scientific and cultural level. 2) Develop secondary, vocational and higher education. This involves the question of establishing a rational educational structure and helping education suit itself to the requirements of scientific and cultural development and the modernization program. 3) Promote political, cultural, scientific, technical and professional education among the workers, peasants and other working people (Article 41 still stipulates that necessary vocational training should be provided to citizens who have not yet been assigned work). This is the education for adult working people who are at their posts. It has a bearing on the constant improvement of the political and technical quality of people who are capable of full-time labor in industry, agriculture and various other trades. 4) Promote the spoken Han language for wide use throughout the country to facilitate the development of cultural and educational work. This is of tremendous significance to the cultural exchange of the various regions and various nationalities all over the country and also one of the basic measures for increasing the scientific and cultural level of the people throughout the nation. The above-mentioned matters are all extremely important work which should be undertaken for a long period and conscientiously carried out. Developing educational undertakings is the basis for the whole cultural construction. Doing a good job in this type of work is of great strategic significance to improving the cultural quality of the whole nation, to raising the quality of labor of the entire working people and to the balanced development of the country's cultural undertakings and the unity and prosperity of the country.

Article 22 of the draft is a stipulation concerning one important aspect of socialist spiritual civilization--political consciousness and ideas and ethics. This article embraces three contents: One is to promote the virtues of love for the motherland, the people, labor, science and socialism. Listing "loving five things, that is, the motherland, the people, labor, science and socialism," which the state promotes as social virtues, into the constitution means determining the common codes of conduct for all citizens. The other is to educate the people in the ideas and ethics of patriotism, collectivism, internationalism and communism. This education serves as the consolidation and development of the socialist system which takes the public ownership of the means of production as the foundation and serves as the core of building socialist spiritual civilization. Still another is to oppose the influence of capitalist ideas, the remaining feudal ideas and other decadent ideology. The building of socialist spiritual civilization is not carried out in a vacuum. Putting forth the task of such ideological struggle in light of China's domestic conditions and international conditions is the important guarantee for building socialist spiritual civilization. In short, the three tasks which complement each other and are stipulated in the draft are the program for building socialist spiritual civilization in the field of education in ideas and ethics.

The draft has not only formulated programmatic stipulations on the building of spiritual civilization but also concretely stipulated the legal codes and moral standards which should be followed by the whole citizens in the clauses concerned. For example, they concern the matters of the principle that socialist public property shall be sacred and inviolable and the various concrete stipulations related to it; of work being a glorious duty of every able-bodied citizen and the due attitude toward labor which the working people should hold; of the principle that all citizens are equal before the law and the various concrete stipulations on equality between different nationalities, between man and woman and between citizens' rights and duties; of the stipulations that the state functionaries and armed forces must serve the people; that the state and society take care of and train young people and children, give help to citizens who are old, ill or lost their abilities to work, ensure the livelihood of the disabled members of the armed forces and help arrange for the livelihood and education of handicapped persons; of the requirements for citizens to observe work discipline, observe public order and respect social ethics and beneficial customs and habits; of the stipulations that marriage, the family, the mother and the child should be protected, that children have the duty to support their parents and that maltreatment of old people, women and children is prohibited; of the sacred duties of citizens to be duty-bound to safeguard the unity of the country and the unity of all nationalities and to safeguard the security, honor and the interests of the motherland and to defend the motherland and resist aggression. All this is a new-type relationship between man and man and a code of conduct which are both based on the socialist system of public ownership. The aim of establishing this relationship and carrying out this code of conduct is to enable the people throughout the country to become disciplined socialist citizens with ideas and virtues. Putting these stipulations into the fundamental law of the state is first aimed naturally at establishing the people's socialist political relationship and legal standards and at the same time aimed at establishing the people's socialist ideological belief and moral standards. This is because the stipulations in the constitution concerning the new-type relationship between man and man which a socialist society should have are not only manifested in concrete systems and laws but also should go deep into the people's ideology and life and become the codes of conduct which the people should abide by. In order to suit the requirements of the modernization program and to perfect the socialist system during the new stage, such concrete and clear and definite stipulations on the building of spiritual civilization have been formulated. This is a naked characteristic of this draft of the revised constitution.

3. On the Building of a Highly Democratic Socialist Political System

The socialist system is not only an economic system but also a political system. The socialist political system which corresponds to the socialist public ownership of the means of production and under which the entire people enjoy in a political sense the supreme power to administer the affairs of the country means the system of the people's democratic dictatorship. Building a highly democratic socialist political system is the guarantee for accomplishing socialist modernization and building spiritual and material civilizations. Because the socialist cause is an undertaking by the whole people, only when we realize in a political sense a high level of democracy and practice centralism on the basis of a highly advanced democracy, can we ensure the political situation of long-term stability, bring the enthusiasm of the broad masses for socialism into full play, make a tremendous united force and ensure the smooth development of socialist construction. At the same time, realizing a high degree of democracy and fully ensuring the entire people's right of being the masters of the country and the legal freedoms and rights of individual citizens themselves are also some of the important goals of the Chinese people for building socialism. Therefore, formulating systematic stipulations on highly advanced socialist democracy in a way ranging from principle to concrete system is a fundamental requirement of the revision of the constitution.

Highly advanced socialist democracy includes two meanings: On the one hand, in terms of the nature of the state system, socialist democracy, that is, the people's democratic dictatorship, indicates the entire people's ruling position and their position of being the masters of the country. This is a democracy in which the entire people are the masters of the country and for this reason, it is a democracy of a higher degree compared with that of the bourgeoisie. On the other hand, in terms of the various democratic systems and democratic life under socialism, we are now far from sufficient in this respect and achieving highly advanced democracy still requires a course of long-term development. For this reason, we take the realization of a highly advanced democracy as an important task of building socialism. The two meanings we have talked about here are, in fact, the state system and political system of a socialist country. These two meanings are interrelated. Without overthrowing the rule of the reactionary classes and establishing the people's democratic dictatorship led by the working class, highly advanced democracy is out of the question and any allegations, such as "the majority of the people decide" and "the minority should submit to the majority," are nothing but empty talk. So the state power under the people's democratic dictatorship is the prerequisite for achieving highly advanced socialist democracy. However, after the people's democratic dictatorship is established, if the building of the highly democratic political system is not strengthened according to democratic centralism and the perfect socialist legality of this system is not displayed, it will be impossible to fully ensure that the entire people can exercise their right of being the masters of the country. Therefore, strengthening the building of democracy and the legal system is an important condition for upholding the people's democratic dictatorship. Our previous lessons lie in the serious neglect of the building of various socialist democratic systems and the legal system. This is precisely one of the important reasons why the "Great Cultural Revolution" could come into being. Since the 3d Plenary Session of the 11th CPC Central Committee, while summing up historical experiences and lessons, our party has once again stressed the importance of realizing highly advanced socialist democracy, and over the years, it has done a lot of work in the reforms of the country's political and leadership systems and in the building of the democratic and legal systems, thus enabling China's socialist democracy to revive and greatly develop.

The profound understanding of realizing highly advanced socialist democracy, which we gained from historical experience, and the advances which we achieved in the building of democracy and the legal system find expression in a centralized way in the clauses of this draft of the revised constitution. In the "Preamble" of the constitution, the draft takes the building of a modern socialist country with a high level of democracy and culture as the fundamental task of the people throughout the country in the days to come. Article 1 through Article 5 of the "General Principles" stipulate the fundamental principles of our country's political system, including the state system of the people's democratic dictatorship and the system of people's congresses, which are organized according to democratic centralism. The stipulations in the chapter on the "Fundamental Rights and Duties of Citizens" concerning the freedoms and democratic rights of citizens are derived from the principles of socialist democracy, which are included in the "General Principles." The chapter on "The Structure of the State" is the objective of China's socialist political system--the system of people's congresses. These stipulations stress from many angles the building of socialist democracy and socialist legal system. First, in order to conscientiously ensure that the people can really exercise state power, the chapter strengthens the building of the state organs at the various levels, in particular the building of the system of people's congresses in accordance with the principle of democratic centralism, such as strengthening the functions and powers of the National People's Congress and its Standing Committee; restoring the post of the state chairman; establishing the Central Military Commission, which is responsible to the NPC; raising the work efficiency of the administrative organizations; enlarging the functions and powers of the State Council and practicing the premier-minister responsibility system; strengthening the functions and powers of the local people's congresses at the various levels, and so on. All this will enable the state organs to better represent the interests and will of the people and better serve the people and to effectively lead and organize socialist construction. Second, in accordance with the principle of socialist democracy, the chapter concretely stipulates the various basic rights and duties of citizens and establishes the social political relationship between man and man and between the individual citizens on the one hand and the state and society on the other; restores, increases and substantiates the clauses on the citizens' rights of democracy and freedoms; establishes the principle that all citizens are equal before the law and stipulates that no organization or individual shall enjoy privileges that transcend the constitution and the law; establishes the principle that the rights of citizens are inseparable from their duties, stipulates the duties every citizen should observe and that when exercising their freedoms and rights, citizens must not infringe upon the interests of the state, society and the collective and other legal freedoms and rights of citizens. This provides legal bases to correctly handle the relationship between democracy and centralism, between freedom and discipline and between rights and duties in accordance with the principle of democracy. Third, except for the exercising of state power through people's congresses, the chapter on the "General Principles" stiuplates that "the people have the right to administer the affairs of the country and its economic, cultural and social affairs, according to the provisions of the law, through various channels and in various forms." In keeping with this, separate stipulations are made on the right of citizens to make criticisms of and proposals to any state organ or any department therein and on their rights to supervise; the right of workers in the state-run enterprises and in units of the collective economy, urban or rural, to take part in or exercise democratic management, and of the right of the residents in urban and rural areas to practice autonomy of a mass character, and so on. This enlarges socialist democracy in the various fields, such as the political, economic, cultural and social life of the people all over the country. Fourth, the principles of socialist legality are established. The chapter on the "General Principles" clearly stipulates that "the state upholds the uniformity and dignity of the socialist legal system" and "all state organs and people's armed forces, all political parties and public organizations and all enterprises must abide by the constitution and the law." This provides a constitutional and legal guarantee for the institutionalization of socialist democracy. The new constitution itself is the supreme legal basis for the institutionalization and legalization of social democracy. It will play a tremendous role in building the socialist political system with a high level of democracy.

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STRENGTHEN THE GREAT UNITY OF ALL NATIONALITIES

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[Article by Ismail Amat]

[Text] The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" approved by the party's sixth plenary session pointed out: "It is of profound significance to our multinational country to improve socialist relations among our various nationalities and strengthen national unity." More than 30 years' history in Xinjiang has proved that, under the leadership of the CPC Central Committee, people of all nationalities should strengthen unity and march in unison in the great socialist family of the motherland. This constitutes an important guarantee for the cause of opposing hegemonism, consolidating the unification of the motherland, promoting the common prosperity of the various nationalities and smoothly carrying out the socialist modernization program.

I

Our great motherland has been a multinational state since ancient times. The Chinese nation, including Han and other minority nationalities, is an entity. Although in history splits and disunity have occurred on many occasions among the various nationalities, they have been only temporary phenomena while unification has always been the main aspect of China's historical development. Chinese history of the past thousands of years is one of founding and defending the motherland by the people of various nationalities who are interdependent and are inseparable from one another. It is a history of the people of various nationalities who live in compact societies and who get along well with, and help, one another. Xinjiang, like all other minority nationality autonomous regions in our country, is an integral part of the great motherland. As early as 2,000 years ago, the Western Han dynasty exercised its sovereignty over Xinjiang by setting up administrative organs. In the past 2,000 years and more, the people of various nationalities in Xinjiang and the Han people have drawn on each other's experiences in politics, economics and culture. This has vigorously promoted economic development and enriched the cultural treasure house of the motherland. In the course of historical developments, the various minority nationalities have introduced from the Han region advanced production tools and techniques and thus promoted the economic and cultural development of the border region. The Han people have also introduced from the minority nationalities particular strains of crops and cultivation techniques nonexistent in many areas of the central plains and thus promoted the agricultural development of the central plains. The people of Xinjiang consist of 13 nationalities including the Uygur, Han, Kazak, Monggol, Hui, Kirgiz, Xibo and Tazik. They have been working hard to build up and defend this beautiful and richly endowed border region of the motherland. Many outstanding political, military, scientific and literary and artistic personages from various nationalities in Xinjiang have made great efforts to safeguard the unification of the motherland and the unity of all nationalities and, with their outstanding talents, greatly contributed to the higher education and culture of the motherland. A large number of artifacts that have been uncovered in Xinjiang over the years, such as ancient books, documents, contracts, letters and inscriptions on tombs, bear witness to the historical fact that, since ancient times, the people of various nationalities in Xinjiang have closely united with, and got along well with, the Han people.

In the struggles against imperialism and feudalism, the people of all nationalities in Xinjiang were united as one and fought side by side. They fought heroically and unremittingly against invaders from czarist Russia and the feudal rule of the Qing dynasty and performed many moving deeds. The common cause of defending territorial integrity and national unity against national split and exploitation and oppression by the reactionary ruling classes have bound the people of all nationalities tightly together. They depend on one another for survival and are inseparable. Especially during the new democratic revolution, the people of all nationalities in Xinjiang, under the leadership of the CPC, set off a mighty revolutionary movement. As early as 1933, the CPC successively sent party members to Xinjiang to engage in revolutionary work. In 1939, it again sent Comrade Chen Tanqiu, a member of the CPC Central Committee, to serve as a party representative in Xinjiang. Together with Mao Zemin and many other comrades, he spread Marxism-Leninism-Mao Zedong Thought in Xinjiang and pointed out to the people of all nationalities the correct way to revolutionary struggle. With their outstanding work, the Chinese communists in Xinjiang managed to awaken the people of all nationalities who had suffered for a long time under the reactionary rule of the warlords and the KMT. The revolution that broke out in the three prefectures of Ili, Tacheng and Altay in the autumn of 1944 dealt a telling blow to the KMT reactionary rule. This was an integral part of the people's democratic revolution throughout the country. Exemplary communists, including Comrades Chen Tanqiu, Mao Zemin, Lin Jilu and Qiao Guozhen remained staunch and indomitable in the enemy's prison and were murdered in cold blood. They dedicated their precious lives to the revolutionary cause of all nationalities in Xinjiang. Their revolutionary spirit of complete dedication and wholehearted service to the people of all nationalities in Xinjiang will always be remembered by the people in Xinjiang.

In the early postliberation period, in accordance with Comrade Mao Zedong's instructions on marching into Xinjiang, stationing troops to open up the wasteland and defend the border and doing more good for the people of all nationalities, Comrades Wang Zhen and Wang Enmao marched into Xinjiang at the head of their troops. A large number of Han cadres enthusiastically answered the call of the CPC Central Committee and Comrade Mao Zedong and came to Xinjiang from various localities thousands of li away. Later, the CPC Central Committee again transferred and dispatched a large number of cadres and scientific and technical personnel of the Han nationality to Xinjiang. Most of these Han cadres, whether they came at an earlier or later date, were diligent and conscientious in serving the people of all nationalities in Xinjiang. Shouldering heavy responsibilities on various fronts, they modestly learned from the cadres and masses of minority nationalities, conscientiously implemented the party's policy toward nationalities, respected the customs and habits of minority nationalities, were as dear to the minority nationality cadres as members of their family and fought side by side with them. They have done a lot of good deeds for the people of all nationalities and have made tremendous contributions in the great struggle to defend and build up the border region. Many veteran cadres working in Xinjiang, who had experienced the agrarian revolution, the 25,000-li Long March, the war of resistance against Japan and the liberation war and who had gone through all kinds of hardships and difficulties by fighting north and south on many fronts, consistently keep and carry forward the glorious traditions of hard work and plain living and the Nanniwan spirit and devote all their energy to the cause of building up the border region. They are cadres with relatively high political consciousness, with a work style of arduous struggle, with practical experience in building up the border region and with rich experience in national work. They are familiar with Xinjiang's natural conditions and have a profound feeling for the people of minority nationalities. They have set an example for the cadres of various nationalities to learn from. In the protracted struggle to build up and defend the border region, not only have they painstakingly and loyally led the people of various nationalities in overcoming difficulties and winning fresh victories in both construction and revolution, they have also, with a high degree of political enthusiasm and patience, helped a large number of minority nationality cadres to reach maturity. At present, quite a few minority nationality cadres who are in leading positions in the various departments of our region, including myself, have grown up with the solicitude and cultivation of the party and with the help of Han cadres. According to statistics, in 1949 there were only more than 3,000 minority nationality cadres throughout the region, but in 1981, the number increased by 51.95 times, to more than 158,800 minority nationality cadres throughout the region. In 1950 there were only 460 professional and technical cadres of minority nationalities throughout the region, but, in 1981, there were more than 44,700 persons, an increase of 96.17 times. With the education of the party, the numerous minority nationality cadres have gradually heightened their political consciousness, working ability and cultural and technical levels. They love the party, the motherland and socialism, are familiar with the past and present conditions of their nationalities, understand the sentiments, habits and special characteristics of the people of minority nationalities and have a close link with the masses of people in the localities. These cadres include veteran comrades from the revolution in Ili, Tacheng and Altay and middle-aged and young cadres who grew up after liberation in the course of revolution and construction. At their own respective posts, they study assiduously, work hard and maintain close links with the masses, thus winning the praise of the party and the people of the various nationalities. In the difficult years of pioneering work in production and construction, the minority nationality cadres throughout the region, along with the Han cadres, shared weal and woe. They supported and made allowances for each other and, united as one, marched forward hand in hand. The growth of many Han cadres is also inseparable from the enthusiastic help of minority nationality cadres.

Facts have fully proved that since the existence of recorded history, Xinjiang has always been a component part of the history of our motherland. Over the years, the minority nationalities and Han people in Xinjiang have been working and fighting in this beautiful and richly endowed land. Han people have helped the minority nationalities; the minority nationalities have also helped Han people.

Bound by a common cause, the various nationalities are as close as flesh and blood and live amicably and inseparably together like members of one family. We must certainly cherish the glorious history of the motherland and inherit and carry forward the glorious traditions of unity and friendship among all nationalities.

II

In his article "Certain Questions in China's Policy Toward Nationalities," Comrade Zhou Enlai pointed out: "Our socialist state is aimed at modernizing all fraternal nationality regions and autonomous regions. The modernization of the whole country must be achieved in an all-round way. We should have this spirit, a spirit of genuine equality and friendship in this great family of nationalities. We should not let the backward areas remain backward forever. If we do, we are creating inequality; and, this is a mistake." Strengthening the great unity of the people of all nationalities is precisely the requirement for realizing socialist modernization.

The motherland's modernization program is closely linked with the common prosperity of various nationalities. The social and economic structures of the various nationalities in our country are extremely uneven in their development. Generally speaking, economy and culture develop quite speedily in the Han region while in the outlying regions where the minority nationalities live in compact communities, due to some natural conditions and historical causes, the social, economic and cultural developments are rather slow. Without the leadership and help of the party and state and without the vigorous support of fraternal provinces, municipalities and autonomous regions in manpower and in material and financial resources, it would be impossible for the nationalities which are rather backward politically, economically and culturally to speedily get rid of their backwardness and catch up with the advanced regions. This has been proved in the past and will continue to be proved in the future.

In the past 30 years and more, the cadres and masses of various nationalities in Xinjiang, with the solicitude of the CPC Central Committee and the support of relevant state departments and fraternal provinces, municipalities and autonomous regions, have made common efforts and engaged in arduous struggle. They have achieved great successes in various undertakings, bringing about earthshaking changes to the north and south of the Tianshan Mountains. In the early postliberation period, the region had only a dozen or so small, poorly equipped factories or workshops and access to the region was very difficult. Now, relatively modern industrial enterprises--including iron and steel, machine building, coal, power, petroleum, chemical, cement, nonferrous metal, textile, paper and sugar making--have been built. We are more than self-sufficient in some products. We have not only supported the state and some fraternal provinces and regions but also sold products abroad. In 1981, the region's total industrial output value was 45.25 times the 1949 figure; total output value of agriculture and animal husbandry was 5.33 times the 1949 figure. Of these, total grain output was 4.6 times the figure of the early postliberation period while the number of livestock was 2.72 times the figure of the early postliberation period. The region's industrial and agricultural output value is increasing at an average progressive rate of 7.8 percent every year. The communications network, consisting of railways, highways and civil aviation, links up all parts of the region. With the development in production, financial revenue has constantly increased. Cultural, educational, sanitation, scientific and technological undertakings are thriving and the material and cultural life of the people of various nationalities has greatly improved compared with the early postliberation period. Before liberation there was only 1 small college with 185 students; now the region has 12 universities and colleges with nearly 8,000 minority nationality students. The number of secondary and primary school pupils has increased still more. In 1949 there were only 48 small hospitals while now the region has 903 hospitals, 17.8 times the 1949 figure. Scientific research institutes and technological departments can be found all over the region and a large number of middle and high-level scientific and technical personnel of various nationalities are emerging on various fronts. However, we should also soberly note that although we have achieved great successes and attained fairly great developments in the economic and cultural construction of our region, we still lag far behind the advanced fraternal provinces and regions. We still fall short of the requirements of the four modernizations by a greater margin. These facts conclusively show that in developing and building up Xinjiang, not only did we need in the past the strong leadership and vigorous support of the state and the enthusiastic help of the cadres and scientific and technical personnel of fraternal nationalities in the hinterland, but we also need them now and shall still need them in the future.

Naturally, help between various nationalities in our country has always been mutual. The minority nationalities need the help of Han people and vice versa. This has been decided by the interests of the party, state and nation and the long-range goal of communism. Achieving socialist modernization is the common goal of struggle for the people of all nationalities. This constitutes a basis for further strengthening the great unity of the people of all nationalities. The minority nationalities in our country have relatively sparse population but they are scattered over vast regions. There are abundant resources and hidden treasures in these regions. Due to different weather and natural conditions, there are great varieties of agricultural crops that can be developed and we enjoy exceptional advantages in some products. In animal husbandry, all the five great natural pasture grounds in our country are situated in the minority nationality regions, where there are also abundant forestry resources. There is still a greater potential for developing mineral resources. Xinjiang is a valuable place where there is vast territory and abundant resources and where development and construction is urgently needed. It also plays an important role in promoting the four modernizations of the motherland. The four modernizations desperately need the active support and participation of the people of all nationalities. Only by making concerted efforts and making up for each other's deficiencies will it be possible for the people of all nationalities to build a modern socialist motherland and achieve common prosperity for the people of all nationalities. The cadres and masses of our various nationalities must proceed from the viewpoint that the four modernizations program has a direct bearing on the fundamental interests of the people of all nationalities and conscientiously safeguard and strengthen the great unity among the various nationalities.

Xinjiang is an important strategic place for national defense in the western part of our country. The CPC Central Committee and the leading comrades of the central authorities have issued a series of important instructions on work in Xinjiang. A very important aspect of these instructions is that, in thinking and working, the cadres and masses of all nationalities should proceed from the overall situation of unity against hegemonism and of strengthening border defense, and strengthen unity between the army and the government and unity between the army and people in order to genuinely build Xinjiang into a powerful fighting force.

In the protracted struggle of building and defending the border region and in the struggle to oppose the aggressive, subversive and sabotage activities of hegemonism, the people and cadres of all nationalities, the staff and workers of the production and construction corps, police cadres and militiamen unite closely and fight side by side with the commanders and fighters of the PLA units stationed in Xinjiang. They are as close as fish and water and have cemented ties of deep friendship. The people of all nationalities in Xinjiang will always remember the difficult years in the early post-liberation period when the PLA units stationed in Xinjiang, carrying forward the glorious traditions of being a fighting force, working force and production force, suppressed bandits, opposed local despots and engaged in democratic reforms together with the cadres and masses of minority nationalities; they developed production by opening up wasteland and carrying out farming; they lived frugally and set up iron and steel, textile, machine building and many other factories through self-reliance, thus laying a foundation for Xinjiang's industrial construction. In the socialist revolution and construction period, the commanders and fighters of the PLA units stationed in Xinjiang, carrying forward the revolutionary spirit of "fearing neither hardship nor death," facing blizzards, eating in the wind and sleeping in the dew, have guarded the frontiers of the motherland with high vigilance. They have strengthened the army-civilian joint defense and helped the people with their production. Wherever conditions are the hardest and most dangerous, there you are sure to find the people's own army. They have done a lot of good deeds for the people of all nationalities and managed to foil the hegemonists' scheme of aggression; they leave no opening for a handful of foreign and domestic enemies to exploit. The people's army love the people and the people love the liberation army. In the past 30 years and more, the cadres and masses of all nationalities in Xinjiang have regarded the difficulties of the people's own army as their own and, in manpower and material resources, have actively helped the PLA successfully fulfill the tasks of defending and building up the border area. Now, whether in the rural areas or grasslands, whether in the army barracks or at sentry posts, the stories of supporting the army and cherishing the people and of unity between the army and people and between the army and government are being widely circulated. The western frontier defense of the motherland is more consolidated and the wall of army-civilian joint defense is indestructible.

Comrade Mao Zedong said: "One of the reasons why the imperialists dared to bully China in the past was because the various nationalities in China were disunited. However, this era has passed forever. Since the founding of the PRC, the various nationalities in China have united into a great family of friendship and cooperation. This is sufficient to vanquish any imperialist aggression and to build our motherland into a prosperous and powerful country." Now, the hegemonists are threatening our country and are employing various means to carry out subversive and sabotage activities in Xinjiang in a vain attempt to split our country. A handful of domestic enemies are also engaged in the criminal activities of undermining national unity and splitting the unification of the motherland by every possible means. The people of all nationalities in Xinjiang, cadres at various levels, commanders and fighters of PLA units stationed in Xinjiang, the staff and workers of the production and construction corps, police cadres and the militiamen should greatly heighten their vigilance against the enemy. The more the enemies fear our unity, the more closely should we unite. We should also make all preparations and struggle against foreign and domestic, overt and covert enemies that undermine our national unity and split the unification of the motherland. We should guard well the western gate of the motherland with one heart and one mind and achieve a still greater victory in building and defending the border region.

In Xinjiang, both historical experiences and the tasks confronting us demand that, in considering every problem and doing any work, we must attach great importance to national unity. All our tasks must be subservient to unity, which constitutes an overall situation. If we neglect or forget this overall situation, we will be committing a big mistake.

The key to strengthening unity among all nationalities lies in the correct implementation of the nationalities policy of the party and in the consolidation and strengthening of regional national autonomy. The party's policy on regional national autonomy is the party's basic policy for solving national problems. In the course of long history, the Han people and the minority nationalities as well as the various minority nationalities themselves have lived and mixed in compact communities. Most of the minority nationalities live in small compact communities over vast regions. Therefore, in most autonomous regions, the "nationalities that practice autonomy" do not command a majority. This is a special feature of the regional national autonomy in our country and is particularly advantageous to the development of socialist national relationship. Our country's policy on regional national autonomy has affirmed the rights of the minority nationalities to become the masters of their own affairs. It ensures that the various minority nationality regions, under the unified leadership of the central authorities and the leading bodies at a higher level, have the right to modify the policies of the party and the state to suit their special conditions. Efforts should be made to help these regions develop their own economy and culture, to respect the minority written and spoken languages, customs and habits, to train and select cadres from among minority people and to bring their role into full play. However, this policy should not be misunderstood to mean that the Han cadres are not needed or that cultural, educational, scientific and technical personnel and masses of the Han nationality are not needed. It should be pointed out that, due to serious interference and sabotage by Lin Biao and the "gang of four," some people have a vague idea of the party's policy toward nationalities. Especially among the large number of youths that have grown up recently, we have not conducted a good education on the Marxist viewpoint on nationalities and the party's policy toward nationalities. This merits our particular attention. To this end, we should conscientiously and frequently conduct publicity and education among the minority cadres on the party's policy toward nationalities and on national unity so that the minority cadres can penetratingly study Marxist national theory and foster a Marxist viewpoint on nationalities. It is necessary to improve party work style and strengthen party spirit. In order to do a good job of inner-party democracy and promote, through this, the great unity of the people of all nationalities, it is necessary to wage struggles, through criticism and self-criticism, particularly through opposing and rectifying the erroneous tendencies and national prejudice within the party on the national question, against the ideas and acts that run counter to the party's national policy and the principles of party spirit.

Comrade Hu Yaobang once pointed out: The Han cadres and cadres of minority nationalities should be united. They cannot be divorced from each other. Our cadres of all nationalities, especially leading cadres at various levels, must set examples with their own conduct and take the lead in promoting unity among cadres and the masses of all nationalities. Both Han cadres and cadres of other nationalities should not say anything harmful or do anything detrimental to unity. Criticism and self-criticism must be held often among cadres of all nationalities and heart-to-heart talks must be encouraged among them so that they will be really able to have mutual affinity, show utter devotion toward each other, and value the interests of the party and the people above everything else. In handling problems involving relations between nationalities, we must be firmly convinced that the great majority of cadres and the masses of every nationality uphold the leadership of the party, love the socialist motherland and safeguard national unity. Those who disrupt national unity and whip up national split are only a few bad elements. We should never waver in this firm conviction. If the conviction wavers, we will commit dreadful mistakes. In viewing any dispute or problem between one or two individuals of Han nationality and a minority nationality, cadres of all nationalities must make a concrete analysis in line with the spirit of seeking truth from facts. A problem should be determined by its real nature. The problems of a certain person should not involve others. Problems of one individual should not be termed as a problem of one nationality. Bad elements who provoke incidents and disturbances and disrupt national unity must be dealt with according to law and must be handled strictly regardless of nationality. A solid unity among people of all nationalities can be ensured only when ideology is unified, relations improved and unity strengthened among cadres of all nationalities. This has been repeatedly proved by practice and the experience of many localities and departments in our region.

In order to further enhance unity among the people of all nationalities, the regional CPC committee and people's government have called on the party organizations and government departments at all levels to attach primary importance to cementing the unity of all nationalities, especially the unity of cadres of all nationalities. Leading cadres at all levels should pay attention to the work on national unity while giving instructions for assigning work of other fields, and while examining and summing up work of other fields. In places like our Xinjiang, relations among nationalities and unity should be considered as major criteria in measuring the work in one district, one department and one unit and the work of one leading cadre. Safeguarding national unity should be considered as one of the essential aspects while assessing and promoting cadres of all nationalities. We must make further efforts to implement the policies of the party and thoroughly redress all unjust verdicts, false charges and mishandled cases so as to properly handle all pending problems. National unity should be taken as one of the important aspects in building spiritual civilization. Education on the policy toward nationalities and national unity should be once again stressed extensively and penetratingly throughout the region. It should spread into every department and every unit of the party, government, military, civilian and educational organizations. Courses on policy toward nationalities and national unity should be established in kindergartens, primary schools, middle schools and universities. The party's policy toward nationalities should be made known to every household, striking root in the hearts of the people. Departments in charge of historical science, literature and art, press, publication, radio and television should make much of national unity, publicize the great significance of enhancing national unity, building and safeguarding the frontier region and commend stirring deeds relating to national unity and unity between the army and the people so that a new situation in which everybody pays attention to and safeguards national unity will appear.

Engels once pointed out: "Only the proletarians can cease the state of estrangement among all nationalities, and only the awakening proletariat can foster fraternal affection among all nationalities." ("Collected Works of Marx and Engels," Vol 2, p 666) Before liberation, national oppression existed in China; but all nationalities were also oppressed by imperialism, so they were oppressed nations too. As a result of imperialist aggression and oppression, all Chinese nations came to realize from their common sufferings that they had to unite and struggle against imperialism and its lackeys. Through protracted struggle under the leadership of the CPC, at long last they achieved victory in revolution, with the founding of the People's Republic of China under a united flag of all nationalities and embarking on the road of socialism. The founding of new China discarded a system of national oppression which had lasted over thousands of years and opened up a new era of national equality and unity in our country. Under the leadership of the CPC, the people of all nationalities have established a new style socialist relationship of unity and friendship. Like the people of all nationalities in other provinces, municipalities and autonomous regions of our country, the people of all nationalities in Xinjiang constitute, too, a major member of the big socialist community of the motherland and share the right of equality in managing state affairs. Cadres and the masses of all nationalities in our region should greatly treasure the right. Under the leadership of the party Central Committee and under the brilliance of the light of the party's policy toward nationalities, they will work hard for enhancing national unity, safeguarding the frontier regions of the motherland and protecting the integrity of the motherland. And they will work hard for the common development and prosperity of all nationalities and for the realization of communism--a common goal of all nationalities.

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SEVERAL PROBLEMS CONCERNING THE CURRENT RATIO BETWEEN ACCUMULATION AND CONSUMPTION

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[Text] Since the 3d Plenary Session of the 11th CPC Central Committee the whole party has conscientiously summed up the experiences and lessons in economic construction and clearly seen that the practice of high accumulation rate and low consumption which we adopted for years in the past should by no means be allowed to continue. The CPC and the government have adopted a series of measures and strived to solve the problems in this respect. At present, what is the ratio between accumulation and consumption? What problems remain unsolved? These questions have aroused the extensive attention and concern of the people. Here we are going to discuss our understanding of these questions.

I

In 1979, the CPC Central Committee decided to readjust the national economy. One important decision was to adjust the ratio between accumulation and consumption funds in the distribution of national income and to gradually reduce the accumulation rate. Through several years of efforts, remarkable achievements have been scored.

First, in accordance with the principle of doing things within the limits of our capabilities, we have reduced the accumulation funds, mainly the scope of capital construction and correspondingly increased the expenditure on consumption funds. In 1978, the accumulation rate had reached 36.5 percent, the third highest since the founding of the PRC following that in 1959 and 1960. After readjustment, the accumulation rate has decreased year after year and it dropped to 28.3 percent in 1981.

Second, in the distribution of accumulation funds, spending of a production nature has been gradually reduced, while spending of a nonproduction nature has been considerably increased, thus initially putting an end to the longstanding situation in which the "bones" and the "flesh" were not suited to each other. Of the total investment in capital construction in 1981, the proportion of a production nature used for enlarging reproduction fell to 58.8 percent from 82.6 percent in 1978 and the proportion of a nonproduction nature used for satisfying the people's material and cultural needs rose from 17.4 percent to 41.2 percent. The aggregate sum of investment spent by the state on nonproduction construction in the last 3 years was equal to 140 percent of the total sum of investment spent during the decade-long "Great Cultural Revolution," or 54 percent of the total sum of investment spent during the 29 years between 1950 and 1978. Of the investment in nonproduction construction in 1981, the proportion for housing alone rose from 7.8 percent in 1979 to 25.5 percent. The aggregate sum of investment spent by the state over the last 3 years on the construction of houses in the cities and towns was 29.1 billion yuan. The floorspace of newly completed houses totaled 223 million square meters and the average annual increase was more than 74 million square meters or more than 300 percent of the total average floorspace completed annually during the 10 years of the "Great Cultural Revolution."

Third, in the distribution of production construction investment, the ratio between light and heavy industry has also been readjusted. The proportion going to light industry rose from 6.1 percent in 1978 to 10 percent in 1981, while that going to heavy industry fell from 50.9 percent to 40.3 percent.

The above-mentioned adjustment of the ratio between accumulation and consumption has improved the life of both urban and rural people remarkably in all aspects.

First, let us start with the 800 million peasants. The further implementation of the rural economic policies and the rapid development of agricultural production was the fundamental guarantee for the improved livelihood of the peasants. However, what must not be ignored is that the state has given more money to the peasants through the redistribution of national income. The rise in state purchasing prices of some farm produce and sideline products, coupled with the practice of paying more for production in excess of the quota, has cost the state 48.1 billion yuan in the last 3 years. This sum of money has become the income of the peasants. During this period, the state has still adopted the measures of reducing or remitting part of rural taxation, which cost it 7.8 billion yuan. That is to say, these two things combined have meant a gain in income of 55.9 billion yuan for the peasants, an average of 70 yuan each. According to the State Statistics Bureau's sample survey of 28 provinces, municipalities and regions, the average per capita increase in the peasants' net income added up over the last 3 years was 89 yuan, equivalent to 220 percent of the increase in income achieved during the 20 years between 1957 and 1976. Again according to a "survey of 100 villages" conducted by the former State Agricultural Commission in March this year in 27 provinces, municipalities and regions, the number of villages where the livelihood of the peasants has been improved or remarkably improved constituted 95 percent of the total.

Next, let us have a look at the living standards of the residents in cities and towns. Over the last 3 years, most staff and workers have seen their wages rise, with some going up one grade and others up two grades. With more than 26 million people employed, the widespread implementation of the bonus system among enterprises and undertakings, and staff and workers receiving subsidies to compensate for nonstaple food price increases, the total wages of the staff and workers throughout the country in 1981 were 44 percent more than in 1978 and the average increase in the wages of the staff and workers was 25.7 percent. The average staff member or worker's wage has still registered an increase of 12 percent over the figure for 1978, after taking into account the factor that the prices for some commodities have risen in varying degrees during this period. The population which every employee had to support (excluding the employee himself) dropped from 1.06 people in 1978 to 0.77 people in 1981.

There are two pronounced indications of the improvement of the living standards of the urban and rural population. One is the substantial increase in total sales of consumer goods, with the figure for 1981 being 60.4 percent higher than in 1978. New changes have taken place in the structure of consumption. In the consumption of the families of staff and workers in cities and towns, more and more people are tending to buy medium- and high-grade commodities and durable consumer goods. By the end of 1981, every 100 staff and worker families had 58 TV sets, 70 sewing machines and 100 radios, or they increased by 320 percent, 32 percent and 61.2 percent respectively compared to 1978. In the consumption of the peasants, besides improving the quality of their food and clothing, the peasants need larger quantities of durable consumer goods. Particularly in housing, in some communes and their subdivisions with high incomes, almost every family has built a new house. According to incomplete statistics, over the last 3 years, the floorspace of housing built by commune members throughout the nation themselves was about 1.4 billion square meters. The current housing floorspace of every rural resident is, on the average, nearly 10 square meters. The other is the big increase in the amount of savings deposits. The remaining sum of the savings deposits of the urban and rural population in 1981 reached 52.4 billion yuan, an increase of 150 percent over 1978.

The above-mentioned facts have irrefutably shown that the living standards of urban and rural people have indeed improved. In addition, in the short space of 3 years, fairly big advances were made in improving the people's well-being. This was scored through the great determination and efforts exerted by the party and the government. It is also a great achievement gained in readjusting the ratio between accumulation and consumption.

II

Over the last few years, new problems concerning the ratio between accumulation and consumption have arisen which warrant attention and urgent solution. They are mainly as follows:

First, the marked improvements of the people's livelihood have been achieved under a situation in which the national income has increased limitedly. Nearly all of the newly increased national income has been used for consumption. From 1979 to 1981, the usable amount of national income increased by 87.4 billion yuan, of which 87.1 billion yuan was spent on consumption (including the consumption of the people and of society). The growth of the consumption funds is mostly arranged by the state plan. It is entirely necessary to adjust the excessively high accumulation rate and put an end to the situation in which no improvements were ever made for many years in the people's livelihood. However, it must also be admitted that a part of the consumption funds has been increased blindly outside the targets of the state plan, which is manifested in increasing purchase prices of agricultural products sold in excess of the quota and in issuing bonuses among the enterprises in cities and towns. This has resulted in loss of control over the growth of consumption funds to a great extent. The problem now which should be taken into account is that on the one hand, the accumulation rate should be reduced rationally so as to ensure the continued increase in the level of consumption and, on the other hand, a certain growth rate of the national economy should be maintained. This requires us to raise the economic effect of accumulation funds by every possible means and to increase national revenue by a big margin.

It should be acknowledged that over the last few years, the economic effect of accumulation funds has been very poor. The national revenue created by every 100 yuan of accumulation funds has decreased year by year rather than increasing year by year, that is, it decreased from 33.7 yuan in 1978 to only 20.2 yuan in 1981. The drop in the accumulation rate has resulted in a decrease in the economic effect of accumulation funds. This has brought about new difficulties to the development of the national economy. Failure to solve this problem will interfere not only with the growth rate of the national economy but also the continued improvement of the people's standard of living.

Second, despite steady growth in production, state revenue has dropped. The method of everybody "eating in separate kitchens" practiced in the financial system, the expansion of the decisionmaking power of enterprises, the widespread implementation of the bonus system among enterprises and undertaking units and the correction of the drawbacks of excessively centralized state control over the distribution of the national income have produced marked achievements in arousing the enthusiasm of the localities, enterprises and staff and workers and rejuvenating the economy. Nevertheless, a new problem has also cropped up, that is, despite a certain growth rate maintained in the national economy year by year, state revenue has been on the decrease. Compared with 1978, in 1981, the total output value of industry and agriculture rose by 180 billion yuan (excluding the factor of price fluctuation), whereas the state's revenue decreased by 11.7 billion yuan. With the development of production, why has the state's revenue decreased? This involves a multitude of factors. But the main cause was a reduction in profits turned over to the state. The ratio of the state's revenue in the national income was 37.2 percent in 1978, which was, as it should be, on the high side. It was manifested in the relatively high degree of centralization by the state and the limited amount of reserve financial resources of local administrations and enterprises. The ratio in 1981 was only 27 percent, which seemed to be on the low side. It found expression in the fact that the country did not have sufficient money whereas the ex-budgetary funds of local administrations, mainly the money of the enterprises, increased by a big margin roughly equal to more than half of the state revenue. In the last 2 years, the state has had to borrow money from local administrations and enterprises in order to make up financial deficits. Exploration into the proper ratio for the state's revenue in the national economy should be continued. But one thing is certain, that is, with the funds being decentralized and without money in hand, the country will accomplish nothing big or significant. It will not do to let things go on for a long time in this way. It is not a permanent solution for the country to get along by depending on borrowing money from local administrations and enterprises. The problem to which consideration should be given now is that the country should appropriately amass funds and undertake the work which should be done and what is more, be done urgently, and the work which is conducive to the overall situation but cannot be undertaken by local administrations and enterprises.

Third, all kinds of subsidies for improving the lives of urban and rural people and promoting industrial and agricultural production have been on the increase. During the 3 years from 1979 to 1981, the total amount of state subsidies reached 104.3 billion yuan, of which the amount in 1981 was 42.9 billion yuan, an increase of 170 percent over 1978. The ratio of state subsidies in the state's revenue within the same year was 14.2 percent in 1978, and in 1979, 1980 and 1981 was 25.9 percent, 32.7 percent and 42.7 percent respectively. Of state subsidies, subsidies compensating for commodity price increases come first and in 1981 reached 32 billion yuan, constituting 74.7 percent of the total amount of subsidies within the same year. According to rough statistics, at present, the number of subsidized items amounts to more than 80. Take the important ones for example, the subsidies spent on the people's livelihood, such as on the price difference between the purchase and sale of grain, edible oil, nonstaple foodstuffs, coal and industrial articles for daily use, and subsidies spent on agricultural production, subsidies for losses in marketing chemical fertilizers, farm chemicals, farm machinery, plastic films and small-sized farm implements and for the price difference in supplying diesel oil and electricity in preferential prices; the subsidies spent on industry, such as on the losses and subsidies resulting from the price difference in supplying such materials as cotton, leather, coal, bamboo and timber, and silkworm cocoons. Huge amounts of state subsidies are spent on the consumption of the people. Because of the subsidies for price differences and the reduction in, or exemption from, taxation, in 1981, subsidies to the people in urban and rural areas averaged 32 yuan per capita--a total of 31.6 billion yuan. That is to say, the improvement of the living standards of the people in our country has resulted not only from the increased income from labor and collective welfare but also from the portion of state subsidies. Without doubt, it is entirely necessary to practice state subsidies at a time when there are some latent dangers in finance and market prices. At such a time, our major task is to stabilize the economy. It constitutes a most important prerequisite and concerns the overall situation. The fact that we adhered to the method of state subsidies in the previous stage has, in fact, played a considerable role whether in stabilizing market prices, improving the people's well-being, providing conditions for readjusting the economy or promoting the development of industrial and agricultural production. This is precisely an indication of the superiority of the socialist system of our country. The problem to which consideration should be given now is that in a situation when the economy has gradually been stabilized but state revenue has been on the decrease, with more and more money spent on various kinds of subsidies and a heavier and heavier load on the state, it is impossible for the state to amass funds for much needed construction.

All these problems have resulted from misapplying some aspects of the present economic system, from the irrationality of the pricing system, and from hastiness in adjusting accumulation and consumption rates. Above all, haphazard use of accumulation funds and economic inefficiency have been basic causes. The reform of the economic system and pricing system cannot be accomplished within a short time. Carrying out the reform without full preparations and an overall plan will lead the economy to chaos. As for the problems in the ratio between accumulation and consumption, they can be solved so long as all of us have a unified understanding of them and do a good job in achieving an overall balance and rational arrangements. So, the key to the problem lies in the fact that we should raise economic effect and put an end to waste on the one hand and the state should amass necessary funds and put them to rational use under overall arrangements on the other.

III

After the 3d Plenary Session of the 11th CPC Central Committee, in the course of correcting the "leftist" mistakes committed in economic work, some comrades in the economic theoretical circles and professional departments probed and discussed the rational limits of the ratio between accumulation and consumption. After analyzing historical experience, some departments pointed out that under normal circumstances, the proper accumulation rate was about 25 percent. In our opinion, that is suitable. Seen from the last few years of practice, it was precisely because of the reduction in the accumulation rate that the level of consumption could be raised and the people's livelihood could be considerably improved. In the future, provided we rationally arrange and use the accumulation funds well and substantially raise their economic effect, we can help develop production at a fairly rapid pace and help increase the national income considerably. This will be able to fulfill the requirements of both reducing the accumulation rate and gradually increasing the absolute amount of accumulation funds.

In a speech delivered at an important meeting, Comrade Chen Yun pointed out that one major policy of our economic work is "first, the 1 billion people must have enough to eat; second, socialist construction must be carried out." This is our guiding ideology for correctly arranging the ratio between accumulation and consumption. In accordance with this guiding ideology and in light of the actual conditions of the ratio between accumulation and consumption, at present, proper arrangements should be made for the following aspects:

First, in the distribution of national income, the ratio of the funds for redistribution amassed by the state (that is, state revenue) should be increased in order to guarantee the construction of necessary major state projects. At present, the state's revenue has not increased but the funds outside the budgeted targets of local administrations and enterprises have increased by a big margin. True, this has played a fairly great role in solving the financial difficulties of the local administrations and enterprises and in undertaking some work conducive to developing the local economy and revitalizing enterprises. However, generally speaking, there are very big contradictions in this respect. Ours is a big country with a population of 1 billion. In order to carry out the modernization program, we must have a big overall arrangement of the disposition of the productive forces anyway, and we have to undertake a batch of backbone projects which will play their part for many years and have a bearing on the national economy and the people's livelihood. The formation of a rational layout of the productive forces and the construction of large-scale projects are outside the power of local administrations and in undertaking them, it is even difficult to produce satisfactory results by depending on the joint efforts of several local administrations. They can be undertaken only by depending on the state's unified arrangements. Therefore, it is imperative for the state to appropriately amass the scattered funds and to use them in the production construction of overall importance. Of course, by the state amassing funds, we do not mean taking the old road in which excessively rigid control was imposed on everything, all financial resources were centralized in the hands of the central authorities and as a result, local administrations and enterprises did not have any power to manage their financial affairs in a flexible way; but we mean adjusting the ratio of the distribution of the interests of the state, the collective and the individual so as to ensure a relatively big increase in the portion of funds amassed by the state and give proper consideration to the needs of local administrations and enterprises rather than negating and putting an end to the measures for reforming the economic system which have been carried out in the last few years and have produced certain results, measures including the method of everybody "eating in separate kitchens" practiced in the financial system, the expansion of decisionmaking power of enterprises and the introduction of the economic responsibility system in industrial enterprises. In studying the proper ratio of the portion of funds amassed by the state, the professional departments concerned are encouraged to consult with local administrations. In giving consideration to the imbalanced development of the economies of the various regions, more care should be given to the economically backward provinces and regions and different regulations should be worked out, for different trades and enterprises. It is not suitable to impose uniformity on all trades and enterprises.

Second, strive to raise the economic effect of the use of accumulation funds. The key problem is to conscientiously readjust the work of capital construction. Judged from the situation in the last few years, funds allocated for capital construction within the state budget have been cut considerably. The number of projects arranged according to the state plan have decreased, while that of projects constructed with funds raised by local enterprises themselves and with funds from bank loans have greatly increased.

The trend in this respect is tending to get out of control. The solution to this problem is to bring the construction projects based on funds collected by local administrations and local enterprises into line with state planning, strike an overall balance and draw up overall planning for them. This will enable us to control the general scope of capital construction and at the same time, to concentrate our efforts on undertaking the projects which are most badly needed by the state at present and the projects which are preparing for the development over the next 10 years. Arranging the capital construction projects concerns not only the question of financial resources but what is more important, also the question of material resources. At any one time, the state has only a certain amount of materials. If we overextend the scope of capital construction, have no guarantee for material supply and fight a protracted war of attrition, then huge accumulation funds will stay idle in the numerous projects under construction and it will be impossible to form them into productive force so they can play their part in the production of material goods. In arranging capital construction projects in the future, we must base ourselves on the capabilities of the state's financial and material resources and on what the state urgently needs and succeed in fighting a quick battle to force a quick decision and strive to complete the project in one vigorous effort once a project is undertaken. Only in this way can we genuinely manage to shorten the construction cycles of capital construction and raise economic effect. The enthusiasm of local administrations and enterprises for carrying out capital construction should be brought into play but deviating from the needs and capabilities of the overall situation of the country will lead to blindness. We must take the whole country into account, strike an overall balance and overcome blindness so as to make the limited accumulation funds produce the most satisfactory economic effect.

Third, accumulation funds must be spent on key projects in a centralized way. At present, energy and communications are the pronounced weak links in the national economy. Owing to a strain in energy supply and in communications and transportation, many enterprises are operating below capacity and there has been a failure to give full play to the existing productive forces. Therefore, it is a pressing task to spend the accumulation funds amassed by the state in a selective way on boosting the energy and communications. The construction of energy and communications projects requires huge investments and a long construction cycle and cannot possibly provide products and service to society within a short period of time and contribute to the acceleration of the economic growth gained in recent years. However, so long as full preparations are made to concentrate funds, equipment and materials in this respect, construction cycles can surely be shortened and the construction of energy and communications projects can produce economic returns in the minimum possible time. With these bases, other branches of industry will then have conditions for rapid development. Seen in the short term or from a regional angle, using funds in a decentralized way for developing the processing industry in a big way rather than concentrating funds on energy resources and communications may ensure a relatively rapid development and produce some economic effect, but eventually this practice will be handicapped by the shortage of energy supply and transportation capacity and as a result, the already formed productive forces will not be able to be brought into full play. In addition, this will delay the construction cycle of energy and communications and interfere with the future growth rate. We must avoid the occurrence of this situation. Of course, by concentrating funds on energy and communications construction projects, we mean striving to strengthen energy and communications--two weak links in our national economy--through 3 or 5 years of efforts by concentrating on completing the projects arranged by the annual state plan rather than attempting to undertake a considerable number of projects within a short period of time.

The construction funds collected by local administrations and enterprises themselves should also be used in a centralized way, mainly in the technical transformation of existing enterprises, and particularly in the technical transformation centered around energy conservation. In this way, it seems that no new construction projects have been undertaken and no new enterprises have been set up. However, upgrading the level of technology and equipment of existing enterprises will not only accelerate the renewal and replacement of products, increase product varieties, improve product quality, cut material consumption and alleviate the strain in energy supply but also substantially boost production output.

Fourth, measures should be taken to reduce state subsidies. At present, the total amount of state subsidies is amazing and it is justifiable to say that the number has reached the limit. In our opinion, state subsidies in the future can only be reduced rather than increased. Now one fairly practical aspect in our work is to strengthen overall reorganization of enterprises, raise economic results, quicken the pace of commodity circulation and capital turnover, reduce the losses of the enterprises which are being run at a loss or change the losses into profits, enable most of the enterprises to increase their profits and help maintain the growth of profits of enterprises or help their profit growth rate surpass the growth rate of their production. There is abundant potential in this respect. No matter whether it is industrial, communications or financial units, or whether it is rural communes and their subdivisions, they must all think about the interests of the country, reduce their dependence on state subsidies as far as possible and make greater contributions to the state.

Fifth, the improvement of the people's livelihood must be realized step by step on the basis of the development of production and the enhancement of labor productivity. With the development of production, we will have a material basis for improving the living standards of the people. Compared with the people's well-being in the past few years, the people's livelihood has been remarkably improved but the overall level of consumption is still not high. There is no doubt that the improvement of the people's livelihood must be continued. The steady improvement of the people's level of consumption will not only further arouse the enthusiasm of the broad masses of people for production but also promote the development of industrial and agricultural production and other undertakings through the growth of consumption and boost the national income. Nevertheless, there must be a guiding principle in raising the people's level of consumption: One is to manage both to ensure the continued improvement of the people's livelihood and to carry out economic construction in light of the current national strength, and the other is to arrange the growth of the consumption funds disbursed by the state strictly in accordance with the state plan. Blindly increasing the consumption funds by deviating from the capabilities of the nation and from the arrangements of the state plan does not tally with the long-term interests of the people throughout the country.

With satisfactory solutions to the above-mentioned problems in five areas, the new problems that have cropped up in the current ratio between accumulation and consumption may possibly be solved fairly properly.

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BE VIGILANT AGAINST THE DANGER OF A REVIVAL OF JAPANESE MILITARISM

Beijing RED FLAG in Chinese No 16, 16 Aug 82 pp 37-40

[Article by RED FLAG commentator]

[Text] In the course of screening school textbooks, the Japanese Education Ministry has brazenly distorted the history of Japanese aggression and absolved the Japanese militarists of their war crimes. This incident has naturally evoked strong indignation and protests from the Chinese, Korean and other East and Southeast Asian nations. The Chinese Ministry of Foreign Affairs has made representations to the Japanese Government demanding that it assume the responsibility of correcting the mistakes made by the Japanese Education Ministry. The situation is still under review. A flood of condemnation from various countries, including public opinion in Japan, is swelling. As pointed out by many commentators, this is definitely not a simple dispute over the use of words or over the accidental mistakes made by the Japanese authorities concerned. It is a grave signal that the danger of a revival of militarism exists in Japan.

Why is the Japanese Education Ministry trying to cover up and distort historical facts?

As everybody knows, Japan entered the imperialist stage of development in the latter part of the last century and the early part of the present century. One of the basic characteristics of imperialism is external expansion, contention for colonies and spheres of influence and partition of the world. By means of wars of aggression, Japan successively annexed Taiwan and the Penghu Islands from China in 1895 and completely swallowed up Korea in 1910. Lenin, in "Imperialism, the Highest Stage of Capitalism," listed Japan with Britain, Russia, France, Germany and the United States as one of the six biggest imperialist nations. In 1914 these six possessed 92 percent of all the colonies in the world. Japan ranked fourth among them, only after Britain, France and Russia. In 1931 Japan invaded and occupied the three northwest provinces of China, and in 1933, invaded and occupied Jehol Province. In 1937 it launched the full-scale aggression against China and occupied large areas of north China, east China, the central plains and south China. In December 1941, Japan also started the Pacific war and occupied the Philippines, Malaysia, Singapore, Indonesia and Burma. In all the wars of aggression and the colonial rule which followed, the

Japanese militarists brought great suffering to the Chinese, Korean and other Southeast Asian nations. These aggressions by the Japanese militarists and their aftermaths are historical facts which have been clearly recorded in the history books and textbooks of many countries in the world.

What should be particularly pointed out is that during the war of aggression against China from the 1930's to the 1940's, the Japanese militarists committed countless inhuman crimes against the Chinese people. They burned, killed and looted everywhere they went, raped the women, carried out large-scale massacres of old and disabled people as well as women and children and committed all kinds of atrocities. In particular, they carried out an extremely brutal policy of "burn all, kill all, loot all" in the anti-Japanese base areas which were under the leadership of the CPC. In the occupied territory, they also forced Chinese workers to engage in slave labor and created many "mass graves" filled with corpses. The big Nanjing massacre, which shocked the country and the whole world, was only one of their sordid crimes. To the Chinese people who suffered deeply from the war of aggression, all these events will never be forgotten. The war of aggression launched by the Japanese militarists also exacted a heavy price from the Japanese people. As for the Japanese people, they should also always bear this lesson in mind.

In modern Chinese history, it was the lofty ideal and goal of all progressive Chinese as well as the common desire and national sentiment of millions of Chinese both at home and abroad, to completely liberate the nation from the oppression of imperialist Japan and other imperialist powers. For half a century, and particularly in the 1930's and 1940's, the Chinese people waged a heroic and indomitable struggle, despite extreme hardships and difficulties, against the Japanese invaders and wrote a glorious chapter in the annals of the world national liberation movement. During World War II, as a result of the joint efforts of the Chinese people and other peoples of the world, Japanese imperialism was defeated together with the German and Italian fascists. At that time, the Japanese Government shouldered the blame for the war and signed the surrender. Such major war criminals as Hideki Tojo and Ishine Matsui, who directed the Nanjing massacre, were tried by the International Military Tribunal and received the punishment they deserved.

It has long been a verdict of history that the Japanese militarists committed a serious crime of aggression against the Chinese, Korean and Southeast Asian people. These butchers, who massacred the people of various countries, have been locked forever in the pillory of history.

Now, the Japanese Education Ministry has distorted the history of this half century in the screening of Japanese textbooks and has denied that Japan carried out aggression against China. They have used such words as "advance into north China" to cover up the full-scale war of aggression against China which began in 1937. They actually made a counterattack and described the indiscriminate killing of Chinese civilians after the occupation of Nanjing by the Japanese invading army as the result of "provocations" caused by the resistance of Chinese soldiers and civilians.

Besides the Japanese Education Ministry, some high officials in the Japanese Government have also come forth to express support for this distortion. Among them is Yukeyasu Matsuno, head of Japan's National Land Agency, who even argued: "When Japan 'advanced' into foreign countries, it did not call its actions aggressions, and to present 'advance' as aggression is a distortion of history." According to the principles of international law generally recognized by the world, the violation of the territorial integrity and sovereignty of other countries and the act of plundering and enslaving the people of other countries by any country constitutes aggression. Moreover, is it not a fact that Japan has practiced such acts of aggression against China for almost half a century? According to the logic of certain people in Japan, aggressions and aggressors do not exist in world history, and not only should the whole history of Japanese aggression against China be completely rewritten, but the whole history of World War I should also be completely rewritten. From the attitude a person adopts toward the mistakes and crimes he committed in the past, one can see what this person will do in the future. This also applies to a country as well as to a nation. The attitude adopted toward crimes of external aggression in history has a bearing on this country and the trend of the future development of this nation. In 1972 when Chinese Premier Zhou Enlai was normalizing relations between China and Japan, he made an allegorical statement pregnant with meaning regarding the past incidents caused by the Japanese militarists' invasion of China. He said: "The invasion of China by Japanese militarists has caused great sufferings to the Chinese people, and the Japanese people have also suffered deeply. Past experience, if not forgotten, is a guide for the future. We must firmly bear in mind such experiences and lessons." The reason the human race cannot forget the past and must respect history is because they can learn from history, draw useful lessons and take warning so as not to make the same mistake as their predecessors. Therefore, we should not cover up the true picture of history and, moreover, we cannot distort history. This deliberate distortion of history to defend aggressions in history means that some day Japan will probably retrace the old footpath of militarism. The incident of the distortion of history by the Japanese Education Ministry indicates that this danger is already looming in present-day Japan.

The Japanese militarist forces suffered a crushing defeat in World War II. Since the war, the militarists have always been thinking of staging a comeback, but they have never been able to succeed because of the resolute resistance of the Japanese people and the strong opposition of the people of various Asian countries. What should be noticed is that the militarist elements have by no means vanished in Japan; there are many of them in the numerous extreme rightwing groups in the country today. These people are carrying out all kinds of activities in a bid to revive militarism and are vainly thinking of turning Japan from an economic into a great military power and reliving the old dream of the "Great East Asia Coprosperity Sphere." These people are praising the barbaric and ignorant bushido spirit, beautifying the history of Japan's external aggression, absolving the militarist ringleaders and war criminals of blame and even worshipping them as "national heroes" and praying for their souls. The film "Dai Nippon Teikou" ("The Great Japanese Empire") recently released in Japan wantonly glorifies the war criminal Hideki Tojo and propagates the notion that Japan's launching of aggressive wars was for its own "protection" and the "liberation of Asia." According to an advertisement in NIHONG KEIZAI SHIMBUN, the purpose of the film is to "restore a historical view of the great East Asian war that is favorable to the Japanese." This has clearly explained the purpose of certain Japanese in reversing the verdict against the militarists. Cultural education is the reflection of economics and politics, and ideological opinion is the precursor of action. The distortion of history is precisely for the sake of preparing public opinion in an attempt to revive militarism and is an important manifestation of this political trend.

World War II brought unprecedented disaster to the whole of mankind, and its memory is still fresh in the minds of the people. This great war was started by the Japanese full-scale war of aggression against China. One important lesson learned from the outbreak of this great war was: When the Japanese militarists kept on expanding the scale of aggression against China, when Mussolini was carrying out a war of aggression against Abyssinia and when Hitler was embarking on such adventurist actions as intervening in the Spanish Civil War, annexing Austria and occupying Czechoslovakia, the anti-fascist countries either lacked vigilance or adopted a policy of appeasement toward the aggressors. They did not curb the danger of a world war in its germinating stage. Today the situation of the whole world and the balance between the forces of peace and war are vastly different than before. However, the danger of a world war still exists. A common urgent task facing the people and all peace-loving countries of the world at present is to curb any factor which might lead to the outbreak of a new world war and making it possible to breed or grow.

The Chinese people and government have always adopted a reasonable, magnanimous and farsighted attitude regarding the historical question of the Japanese invasion of China. We believe that China and Japan are separated by only a strip of water, that the people of both countries have a long history of friendly relations and that the Japanese aggression against China occurred under conditions which were entirely against the wishes of the Japanese people. Therefore, we have made a distinction between the Japanese people, who could not decide for themselves at that time, and the Japanese ruling class; between elements of the Japanese ruling class who did not approve of the war of aggression and the militarist forces; and between those in the Japanese Government who at that time were willing to carry out a friendly and good-neighbor policy and those in the Japanese Government who should take the blame for launching external wars of aggression in history. Japan, which has practiced external aggression in its history, owes a debt to the countries victimized by its aggression. As far as China is concerned, over 10 million people were killed by Japan's war of aggression in the 1930's and 1940's, while property damage exceeded $50 billion. Japan, which has now become an "economic big power," should retrace its roots. Was not a considerable part of its capital and wealth in fact plundered from other countries by aggressive war and colonial rule?

From the Sino-Japanese War of 1894-1895 alone, Japan extorted from China reparations equivalent to what was then 350 million Japanese yen, and "the funds guaranteed the maintenance of the empire's armaments and the establishment of modern industry." ("History of Japan's Foreign Affairs" by Seisaburo Nobuo) Regarding the half century from the Sino-Japanese War of 1894-1895 to the end of World War II, it is even more difficult to estimate the wealth Japan looted from China, Korea and other Asian countries (including wealth created by laborers from these countries). The Chinese people do not demand that the present Japanese Government assume responsibility for the war, and, for the sake of friendship between the people of the two countries, they have also dropped the demands for reparations. However, the Chinese people and all Asian peoples who suffered from Japanese aggression have the right to demand that the present Japanese Government assume a political and moral responsibility to curb the attempts of extreme rightwing forces in Japan to revive militarism, to tell the Japanese people--and particularly the younger generation--the historical truth, and to teach them that they must never again allow Japan to become a militarist state or to launch external wars of aggression. At present, some of the people in the Japanese Government are not only unwilling to do so but, instead, are trying to distort history and glorify aggression. This is a dereliction of duty. It should be pointed out that to distort the history of Japanese aggression against China is, in essence, an extreme insult to the Chinese people. The Chinese Government has approached the Japanese Government and asked for a correction. This is the legitimate right of the aggrieved party. But some high-ranking Japanese officials, on the contrary, tried to find fault with China by saying that this is "interference in Japan's internal affairs." Their disregard for morality and justice has reached a level that is impervious to reason. However, public opinion from all walks of life in Japan has also proved that this behavior of the Japanese authorities is also intolerable to the Japanese people. Kazuo Asukada, chairman of the Japanese Socialist Party and member of the Diet, pointed out: "They attempted to play down the aggression perpetrated in the past against the Asian countries, cover up the injuries caused by the conduct of the Japanese militarists and erase such things from history. It is only natural that this tendency will evoke strong indignation among peoples of various Asian countries who were the victims of such acts of aggression." Toluma Utsunomiya, president of the Japan-China Friendship Association, said: "Pandering to the rightwing tendency, the Japanese Government attempts to use textbooks to blot out the Japanese people's self-reproach for aggression. We cannot agree to this." An editorial in YOMIURI SHIMBUN pointed out: "Over 60 percent of the people in Japan at present belong to 'the generation who do not know anything about the former war.' Therefore, the important thing is to teach them not to blot out the responsibility for the war. However, the screening (of textbooks) has done just the opposite. This cannot but be considered as a distortion of historical facts." The National Conference of the Japanese History Education Workers Association has unanimously demanded that the Education Ministry change the practice of distorting history at once. All these reflect the sentiment of the Japanese public from all walks of life who are willing to have friendly relations with the people of China and other Asian countries.

As a result of the concerted efforts of the Chinese and Japanese peoples as well as people of insight, diplomatic relations between China and Japan were normalized in 1972 and a joint statement was issued in this connection by the governments of the two countries. The treaty of peace and friendship concluded between China and Japan in 1978 affirmed that "the joint statement is the basis for the development of peaceful and friendly relations between China and Japan, and various principles indicated in the joint statement must be strictly observed."

The joint statement pointed out: "The Japanese side is keenly aware of Japan's responsibility for causing enormous damages in the past to the Chinese people through war and deeply reproaches itself." This showed the attitude of self-reproach adopted by the Japanese Government for the wars of aggression launched against China in the past. It was written as a major principle into the Sino-Japanese joint statement on the establishment of diplomatic relations and is also affirmed by the treaty of peace and friendship. It is a prerequisite for the development of peaceful and friendly relations between China and Japan. This prerequisite cannot be overthrown. To do so means to wreck the basis for the establishment of peaceful and friendly relations between the two countries. The Chinese people have all along valued the friendly relations with the Japanese people. The broad masses of Japanese people also have friendly feelings for the Chinese people. Just as pointed out by the joint statement of the two governments, "the normalization of diplomatic relations between the two countries and the development of neighborly and friendly relations between the two countries conform to the interests of the peoples of both countries and will also contribute to the easing of tension in Asia and the safeguarding of world peace." Only by solemnly accepting historical facts, respecting the political basis for the establishment of diplomatic relations between the two countries and educating the younger generation in accordance with this guideline can friendly relations between China and Japan develop and can the peoples of both countries get along as friends from generation to generation. The Japanese Government should squarely face the distortion of the history of Japanese aggression against China made by the Education Ministry in the process of screening textbooks, an affair which is damaging Sino-Japanese relations, and take practical action to defend the basis for friendly relations between the two countries by correcting this mistake. As far as the Chinese people are concerned, we are willing to work together with the Japanese people and the peoples of other Asian countries, unite with them and make joint efforts to prevent the danger of a revival of militarism.

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CADRES' STUDY SHOULD BE ASSESSED AND EXAMINED

Beijing RED FLAG in Chinese No 16, 16 Aug 82 pp 41-42

[Article by Cheng Shu [2052 5289]]

[Text] While promoting reform of the organizational structure, our party also attaches great importance to cultivating cadres. It has called for making the education of cadres a regular, constant practice and an institution. It has clearly defined targets which cadres of central party and government organizations should attain after they have been theoretically, professionally and culturally trained in the next 5 years. It has decided that a system should be set up for arranging a short-term sabbatical study for cadres after working a few years in posts, appointing and promoting cadres according to the results of their training, and checking and examining cadres' study. The formulation of the policies and systems fully shows that the party Central Committee attaches great importance and pays adequate attention to the education of cadres. It not only reflects requirements for the development of building socialist modernization, but also expresses the eager desire of vast numbers of cadres.

The great majority of cadres uphold the system of checking and examining their study. However, some cadres have doubts about the necessity and possibility of doing so. Therefore, it seems it is necessary to offer some explanations on this issue.

The system of checking and examining cadres' study constitutes part of the whole system of conducting education on cadres. Its essential contents demand that after a period of concentrated study, every cadre should be assessed and examined according to the requirements of his study plan, with marks to be kept in his file to help in making the appropriate appointment. If the study is arranged in accordance with the teaching plans, teaching outlines and subjects at the middle school, polytechnic school or college levels, comrades who pass the exams will then be able to acquire diplomas. A test system like this will help promote cadres' study and progress, and will contribute to the formation of a rank of cadres that is younger, better educated, more advanced professionally, and more revolutionalized.

Cadres of the party and government organizations are leaders and organizers in the arduous struggle for the realization of socialist modernization. Their quality, level of Marxism, professional knowledge and educational level in meeting demands for building modernization have a bearing on the success or failure of our cause. All our cadres are servants of the people, doing everything on their behalf. The people call on us to do everything well with high efficiency and quality, so we must unceasingly enhance our theoretical, cultural and professional levels and work proficiency. With a view to achieving fruitful results in study, cadres should meet strict demands and abide by the system. Slackness, carelessness and perfunctoriness in the training are not allowed. Since the education of cadres has been made regularized and systematized, every one of our cadres now has the right to take a sabbatical leave for study according to a scheduled plan. And he is also bound to study a great deal in the assigned period of time. Checking, attesting or examining results of cadres' study is a normal practice. In a certain sense, it is a kind of motive power to promote the study. On the other hand, superior organizations will be able to know every cadre well from the records in his file concerning his knowledge, proficiency and marks in study and traniing. And thus the superior will also be able to cultivate every cadre according to his practical deeds in work and know him well enough to assign him a job and promote him commensurate with his ability. This is essential not only for the growth of every cadre but also for the formation of the whole rank of cadres.

Such a test system in cadres' study is not a new phenomenon. As early as during the war years, many cadres' schools organized by our party in various forms had strict testing systems. After the founding of the People's Republic, those who took time off to go to a worker-peasant short program high school and those who received specialized training could graduate only after formal exams. In addition, in some localities those who studied Marxist theories while still working had to have tests on a certain number of courses. In 1955, the party Central Committee issued a report submitted by the central propaganda department, demanding a system of exams for in-service cadres who studied Marxist theories in party schools or political schools. This system played an active role at that time in promoting initiative among cadres studying in these schools. Some cadres now are not used to the exam system, or have doubts about such a system. This mainly results from the protracted weakening of cadres' education work since the late 1950's, the result of an error in the party's guiding ideology. However, in recent years, more and more cadres have demanded a change in the aimless, unsystematic education of cadres, and in the lack of a relationship between cadres' training and job assignment. Under these circumstances, most cadres will accept an exam system once they realize the reasons for such a system.

It can be said that now objective conditions are mainly ripe for establishing such a test system. Such conditions are: Since the third plenary session in 1978, party committees at various levels have strengthened leadership over cadres' education work. Material conditions for cadres' education have improved. We have accumulated experience in conducting education on cadres from massive cadres' training. We have set up bases for cadres' education on a certain scale, which can be further expanded according to the amount of cadres available for training. And we have had an experienced teaching corps which is loyal to the cause of cadres' education. In addition, the central departments concerned and local party committees at various levels have worked out the proper length of schooling and teaching plans for courses on Marxist theories, basic professional knowledge, specialized occupational knowledge, and cultural and scientific knowledge. And different curricula are being arranged to suit cadres of different scholastic backgrounds and with different needs. All these have created good conditions for practicing a test system in cadres' study.

Some comrades may worry whether exams will come as "a surprise attack" without considering the different situation of each cadre. In accordance with the spirit of the central authorities, from now on, cadres' training should be flexible enough to adapt to different aims, work requirements and different scholastic levels in theory, profession and culture. Exams should be designed to satisfy the demands of a cadre's study plan. Therefore, it is not necessary to worry about the exams. Some comrades may also worry whether the exams will be implemented as in full-time schools. It must be made known that the education of cadres is part of adult education. It is different from that of youngsters, so the method of examination should not be indiscriminately imitated on that used for the young students in full-time schools. In recent years, some methods of assessment and examination which are specially adaptable to the education of cadres have been used in some party schools and cadre schools. For example, some courses are only assessed and some must be examined. The subjects assigned for exams stress the knowledge applicable for cadres to master and use in the future, but do not aim at reciting a lesson from memory. The open-book and closed-book exam systems are both adopted. Sometimes the exams can be done by writing a report on what one has learned from the study or by drawing up a plan for solving practical problems in work with the knowledge one has acquired. The methods of examination can still be further explored and renovated by continuously summing up experience from the practice of teaching work. On the problem of exams, we must not only pay attention to the characteristics accompanying cadres' education, but must also set strict demands on them and adopt a stern attitude toward the problem.

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WHAT CAN BE LEARNED FROM THE WESTERN EXPERIENCE IN ENTERPRISE MANAGEMENT?

Beijing RED FLAG in Chinese No 16, 16 Aug 82 pp 43-45

[Article by Zhou Shulian [0719 0647 5571]; passages within slantlines published in boldface]

> [Text] Editor's Note: Many readers have pointed out that in studying economic theory it is very important to relate the theory to practice and with an open mind and dynamic thinking, not only study the economics of a socialist country but also examine and draw on the experiences of capitalist countries' methods of management and administration. These ideas reflect the shared demands of a certain number of cadres and we are now publishing this article by Zhou Shulian so that our readers may examine such ideas themselves.

In the process of studying the Marxist theory of economics, we should always examine and summarize China's own experiences in enterprise management while at the same time not completely ignore, indeed we may even borrow from, some experiences in economic management gained by Western countries and thereby do everything possible to find ways of improving enterprise management.

Marx said: "All direct processes of production reflect the form of the combined processes of society and are not expressions of the isolated labors of one independent producer, but should engender both controlled and organized labor." ("Collected Works of Marx and Engels," Vol 25, p 431) Both capitalist and socialist enterprises are built on the societal foundations of production and it is in this sense that they are related. Over the years, Western countries have accumulated a wealth of experience in enterprise management, some of which is well worth our taking note of. For, as Comrade Mao Zedong pointed out: "Within the enterprises of industrially developed countries the work force is low, efficiency is high and there is an understanding of how to do business. Thus we may be able to improve on our own work by learning some of the principles and reasons behind these phenomena." ("Selected Works of Mao Zedong," Vol 5, p 287) Thus on the basis of our present need to raise the level of enterprise management in China, we must take careful note of and learn from their experiences in organizing social mass production. For example:

/We can learn from their experiences in managerial policymaking./ In order to survive and develop within constantly changing internal and external surroundings, Western enterprise has always, and indeed is increasingly, seriously examining the question of management policies. The American management expert Xi Meng [6007 5536] considers that "management means policymaking." Traditional thinking has always viewed policymaking as a very last-minute thing. Modern theorists of policymaking see it more as a process involving the gathering together of all the facts, examining them, analyzing them and making decisions and choices from a selection of all the possibilities available. They consider that it is possible to divide the process of policymaking into the following three stages: 1) The gathering together of information: involving the collection of relevant economic and technological information both inside and outside the enterprise for the purpose of analysis. 2) The drafting of a plan: drawing up all feasible plans on the basis of the information gathered in the first stage. 3) Choosing a plan: making a choice of the best plan from all the feasible ones. Thus, in the process of policymaking, the role of information is always stressed. Furthermore, policymaking theorists distinguish between finalized and nonfinalized policymaking; the former type of policymaking, involving finalization and procedure, has set patterns to follow, while the latter, nonfinalized policymaking is characterized by a lack of set rules to follow. China's socialist enterprise, by the nature of its subordination to changes in national plans, is relatively unique. It must not only have good administration but also good management. Having ignored enterprise management in the past, it is doubly important that we attach importance to it now and study and learn from the experiences of policymaking within capitalist countries' enterprise management.

/We can learn from their experience of closely linking production and sales./ In order to be competitively successful, Western enterprise not only attaches importance to production but also to sales, thereby closely linking the processes of production and circulation. The most important measures adopted within Western enterprise include: 1) Implementation of market-limited production. When an enterprise fixes its production plans it first determines the variety and amount of production according to market demands, and after this continually alters these plans in accordance with changes in the market situation. 2) Examination and study of the market situation. The enterprise either undertakes such studies itself or enlists the aid of experts in market studies and advertising agencies to carry out the studies. Such studies include examinations of purchasers, competition, the expansion capacity of the market and consumers' opinions. 3) The drawing up of market forecasts. On the basis of examinations and studies of the market situation, market forecasts are drawn up. Such forecasts include the extent of sales of specific commodities, sales areas and period of sales. Most forecasts are either annual, seasonal or monthly, while some forecasts are more long-range, sometimes 3 or even 5 years. 4) Moves to raise the quality of service and customer convenience. A great deal of importance is attached to improving the quality of the work and service performed by salesmen. In addition, the need is recognized to catch the customer's interest through sales activities, to grasp the psychology of the customer and stimulate his or her need or desire for a product, thereby encouraging the customer to make a purchase. Emphasis is also placed on the importance of post sales service. The above experiences provide several lessons worth learning from for socialist enterprise.

/We can learn from their experiences in raising product quality and lowering production costs./ Many enterprises in Western countries make use of expert help when organizing their labor force, and in terms of saving power and raw materials, they apply scientific and technological skills as well as using advanced and sometimes imported management tools and management skills, and there are valuable lessons to be learned from the experiences of such an approach. Particularly worthy of China's attention is their experience in raising product quality and lowering production costs. The improvements in quality and management may be seen as having occurred in stages. Initially it is based on a simple examination of the situation after it has happened. Since the 1920's quality examination has been based on statistics. Learning to control the process of production leads to control of product quality. In the 1960's general quality control was developed and product design, purchasing of raw materials, production and fitting all the way up to post sales service all conformed to the set requirements for product quality. Many enterprises developed a "perfectionist movement" whereby workers were mobilized to eliminate any flaws in the work process and thus ensure a constant high quality of production. In order to bring down production costs, many Western companies have adopted an approach to production costs management known as value analysis or value engineering. The U.S. firm General Electric was an early practitioner of this scheme. In essence it involves achieving low production costs by doing one's utmost to find the simplest production methods and cheapest raw materials while not letting the quality of the end product suffer. In carrying out value analysis it is important to find out whether there is a need to use a certain type of raw material, and find out what profit can be made from it. In addition it must be ascertained whether there are any excesses in the quality of the raw materials and whether it would be possible to adopt even cheaper production methods. Furthermore one must check that there is a rational breakdown of the production costs, whether there are any cheaper prices or any better suppliers and whether the selling price is worthwhile in terms of production costs.

In Japan, the Toyota Company feels that its own achievements in this area have been "to make quality guarantees the heart of technological work" and "to make reductions in production costs the main aim of enterprises." Our socialist enterprises must therefore set up firm principles on raising quality and lowering production costs and the above experiences of Western enterprises are well worth our taking note of.

/We can learn from their experience in improving the enterprise management system and the setting up of good relations between centralization and decentralization./ Capitalist enterprise has one problem with the management system, the solution to which is often a prerequisite for the successful organization of production for the enterprise. For example, since the 1920's the United States has run centralized management systems but as enterprises gradually grew bigger, the faults of such a system became more and more apparent with the result that some large enterprises began a system of departmentalization. Such a system has three main characteristics: 1) Each department is a decentralized unit with the enterprise granting the department whatever limited powers are necessary. 2) Each department is a unit responsible for its own profits, having defined responsibilities in terms of profits, thereby reaping the benefits in accordance with the ups and downs of the management situation. 3) Each department is a unit responsible for its products and hence must actively try to expand the market and put the products through market tests. Under certain conditions the departmentalization system can be helpful in allowing a large company to accurately balance centralization and decentralization and also carry out management policy decisions. It is considered by many Western enterprises that to achieve an ideal relationship between centralization and decentralization, many factors must be taken into consideration such as the scale of the enterprise, management make-up, regional distribution, the number of management employees and their standard of work, the company history and external relations. Thus, the larger an enterprise is, the greater, in general, the need for decentralization. With a low number of management employees and low quality of work, decentralization will be harder. If a company's outside relationships change very quickly, then decentralization will be relatively simple. Certain restrictions have also been defined for the powers of decentralized departments within an enterprise. For example: 1) The extent and range of such powers should be related to the nature and extent of responsibility of the department. 2) The powers of each level of managerial departments must be clearly defined and differentiated. 3) The relations between each functioning department of the enterprise must be clearly laid down. 4) Each department only takes orders from one superior department, thereby avoiding a situation in which a subordinate department is at a loss as to what to do, having received two conflicting orders. These few ground rules should be learned by China in its move to revolutionize the economic management system and set up a system of economic responsibility.

Furthermore, /we should take note of Western enterprises' experiences in training management personnel./ In the United States of America, for example, management education is fairly well developed and not only should our Education Ministry take note of this, but our enterprises as well. In the United States many large companies train their own management personnel and, according to statistics, in 1976 U.S. companies trained 1.4 million personnel on company work time in various managerial positions, spending a total of U.S.$43 million. Many companies have "management personnel training centers" where they train people in whatever areas of management they are needed.

In learning from the experiences of Western enterprise management what are the things that we should be most careful of?

/1. We must recognize the fundamental differences between capitalist enterprise management and socialist enterprise management./

Marx scientifically clarified the dual nature of management in that the content and style of management is restricted by production forces and production relations. Since production relations of socialism and capitalism couldn't be more different, the nature of enterprise management is different too. In terms of the content of enterprise management, capitalist enterprise management embodies capitalist exploitation. As Lenin pointed out, capitalism is predatory by nature. Capitalist enterprise management is designed to allow the capitalist to reap the greatest possible profits, while socialist enterprise management is designed to fulfill society's and every member's material and cultural needs. A socialist enterprise should also strive for greater profits because profits are the main source of financial accumulation and without such accumulation it is possible to develop production and society and satisfy the needs of the people. But we must not, on any account, copy the capitalist enterprise system and engage in speculation and profiteering, resort to deception and harm others to benefit the individual, purely for the sake of increased profits. Socialist enterprise must accord with the country's plans and it must not weaken or destroy these plans merely to achieve greater profits.

When one considers the style of enterprise management, one can see that capitalist enterprise management is extremely autocratic with all important decisions being made by the capitalists and their representatives. Today, some capitalist enterprises have set up "democratic management," but because of the emphasis on the capitalist's profits and the severe limitations of its power, it has not been able to change the basic face of capitalist enterprise management. In socialist enterprises it is essential and therefore possible to closely link scientific and democratic management. It is important that one can recognize these basic differences between the two types of management before one can take a correct stance in learning from the experiences of Western enterprise management.

/2. We cannot totally adopt and copy the experiences of capitalist enterprise management./

Lenin said the Taylor system "is a combination of the refined brutality of bourgeois exploitation and a number of the greatest scientific achievements in the field of analyzing mechanical motions during work, the elimination of superfluous and awkward motions, the elaboration of correct methods of work, the introduction of the best system of accounting and control, etc." ("Selected Works of Lenin," Vol 3, p 511) Mao Zedong also pointed out at a very early stage that "to reject out of hand all foreign science, technology and culture without analysis is not a Marxist approach, and likewise, total acceptance of all things foreign is equally unacceptable and neither of these stances will advance the cause of socialism." ("Selected Works of Mao Zedong," Vol 5, p 287) It is necessary to promote the study of scientific advances and methodology of Western enterprise management, but on no account should we simply copy and imitate. And of course, those areas of enterprise management which do not correspond with socialist concepts should not be adopted within the socialist enterprise.

/3. We should take an all-round scientific view of the Western capitalist class' theory of enterprise management./

In the case of some very soundly based theories, we must look for the possibility that the theory contains some scientific truth and in its application we must see to what extent it upholds the exploitive system of capitalism. When we are examining these theories and the feasibility of using them or ways of applying them in a system of socialist enterprise management, we must not forget our task of adhering to the socialist road. Socialist enterprise management must help develop the forces of production as well as help consolidate and develop socialist production relations.

Finally, /when we learn from the experiences of foreign enterprise management, we must base what we learn on the actual situation in China today and remember the importance of integration with the concrete conditions existing within each area and unit./

We must remember the importance of our own experiences and traditions, for, since liberation, China's socialist enterprises already have a 30-year history and if one goes back to the foundations of the revolution, then we have a history of nearly half a century. Within this time period we have amassed considerable experience in terms of enterprise management and have developed our own fine traditions. For example, from the very first days of China's socialist enterprise system, importance has been attached to ideological politics, to following the mass line and to introducing democratic management. All of these things represent our fine tradition and experience. Today, on a foundation of summarizing and popularizing China's own experiences and traditions in this field, we must make more use of the experiences of other countries and thereby gradually build up a modernized and scientific socialist enterprise system which corresponds to China's specific needs and situation.

CSO: 4004/47

WHAT IS THE DIFFERENCE BETWEEN THE URBAN YOUTHS WAITING FOR JOBS IN OUR COUNTRY AND UNEMPLOYMENT IN CAPITALIST COUNTRIES?

Beijing RED FLAG in Chinese No 16, 16 Aug 82 pp 46-47

[Article by Chu Zhengkun [0443 2973 0981]]

[Text] Outwardly there are some similarities between the urban youths waiting for jobs in our country at present and unemployment in capitalist countries, and yet these two aspects are different in nature.

First, these two aspects have different origins and different natures. Unemployment is a natural product of the capitalist system. Under the capitalist system, following the development of production and the improvement of the organic formation of capital, the proportion of changeable capital in gross capital is becoming less and less with each passing day and the demand on labor force by capital is also relatively decreasing. At the same time, the supply of labor force in general will increase following the development of capitalism. The supply of labor force exceeds the needs of capital and this situation consequently gives rise to enormous unemployment. At the same time, the existence of excessive unemployment constitutes an indispensable condition for the existence and development of the capitalist mode of production. Therefore the existence of enormous unemployment forms an invisible pressure on employed workers while capitalists make use of this situation to step up their exploitation of workers. In addition, a capitalist economy is characterized by cyclical crises and during these crises a great number of workers are sacked. But on the other hand, during economic upsurges, many workers are employed again. Capitalist production needs a reserve of industrial workers that are subject to exploitation at any time. Therefore, the existence of unemployment is an objective need and a natural consequence of the capitalist system. Marx termed this situation as a relative surplus of population. That is to say, relative to the needs of the production of surplus value by capitalists, the supply of labor force exceeds demand, some workers cannot be included in the process of production and consequently they become "surplus" persons in society.

Ours is a socialist country that is based on the system of public ownership of production. The purpose of our production is to meet the increasing needs of people's material and cultural life. At the same time, socialism practices a planned economy, and not only is the production of goods and materials carried out in a planned way, the growth of population is also put under control and these situations provide the possibility of eliminating unemployment and solving the employment of all the laborers. The present situation in which some young people in urban areas are waiting for jobs has been mainly caused by the mistakes we made over the past long period in our guiding ideology and work. We are undertaking socialist construction in a country which is poor and yet with a huge population. Therefore in order to solve the employment question, it is imperative to spare no efforts to develop production and at the same time to control the growth of population so that our population will grow according to plan. But we made "leftist" mistakes in our guiding ideology for a long period in the past and made one mistake after another in our work. On the other hand, the proportions of the national economy were seriously out of balance. As a result, the development of our economic construction was slowed down to affect our ability to absorb the newly added labor force. Furthermore, we did not pay enough attention to training laborers while our education was divorced from employment and this situation has resulted in the fact that there are some jobs with no one to do them. On the other hand, we did not pay attention to the proportionate development between the production of goods and materials and the growth of population. As a result, the development of production has been out of step with the growth of population. This is the basic reason why at present some youths in urban areas are waiting for employment to be arranged for them. With regard to ownership systems, for quite a long period in the past we only paid attention to the system of ownership by the whole people, neglected the system of ownership by the collective and squeezed and impaired the individual economy. In the industrial structure, we paid attention to heavy industry and neglected light industry, commerce and service trades.

Such irrational ownership structure and industrial structure have seriously limited the employment of the newly increased labor force in urban areas. The policy of "unified guarantee, unified arrangement" for employment that has been implemented for a long time has resulted in a wrong understanding that only working in state-owned enterprises with an "iron rice bowl" is considered as employment and that individual operations and cooperative operations do not constitute employment. Thus the road for employment has become narrower and narrower. In fact, the situation in which part of the population in urban areas is waiting for jobs has no definite connection with the socialist system, nor is its nature that of surplus population as mentioned by Marx.

Second, the two aspects have different methods for solving problems and different prospects. Many years have passed since the bourgeoisie and their representatives declared that they would "eliminate unemployment" and "realize full employment"; but they have not done so; nor is it possible for them to do so. The bourgeoisie will be compelled to take some moderate measures and decrease unemployment to some extent only when the number of the jobless is so excessive as to cause serious social problems, large-scale strikes and to seriously threaten the capitalist politico-economic system. But they can in no way really solve unemployment. In order to eliminate unemployment it is imperative to overthrow the capitalist system.

The current problem of waiting for jobs in our country is a temporary phenomenon that is caused by mistakes in our work. This problem can be completely resolved as long as we are able to correct our ideology, carry out correct principles and policies and display the advantages of the socialist system. Since the 3d Plenary Session of the 11th CPC Central Committee, the party and government have paid much attention to the problems of youths in urban areas waiting for jobs. Finally, a series of correct principles and policies have been implemented such as readjusting the structure of the ownership system, developing the collective economy in a big way and appropriately developing the individual economy; readjusting the industrial structure, paying attention to the development of light industry and developing commerce and service trades in a big way; readjusting employment policy and opening up more ways for arranging employment. Thanks to these policies and measures, considerable achievements have been made. From 1978 to 1981, employment has been arranged for 34 million people across the country. Many medium and small towns across the country have basically resolved the problem of employment. Of course, in order to thoroughly solve the problems of employment in our country, we must spare no effort to develop production and control the growth of population in a planned way so that the reproduction of population and labor force will accord with the development of the whole national economy.

CSO: 4004/47

WILL STRENGTHENING OF PLANNING GUIDANCE IMPAIR THE DECISIONMAKING POWER OF PRODUCTION TEAMS?

Beijing RED FLAG in Chinese No 16, 16 Aug 82 pp 47-48

[Article by Zheng Youyun [6774 1635 7189]]

[Text] Some comrades regard respecting the decisionmaking power of production teams as contradictory to the implementation of state planned guidance over agricultural production. According to their view, to respect the decisionmaking power of production teams means not to stress the importance of state planned guidance and means that production teams must be allowed to arrange production by themselves and grow however much of whatever crops they want. If stress is given to state planned guidance, the decisionmaking power of production teams will eventually be impaired. This view is one-sided and not correct.

The socialist economy is a planned economy that is based on the system of public ownership. Agriculture is the foundation of the national economy, therefore agricultural production and circulation must also be carried out in a planned way. Our country has a population of 1 billion, of which 800 million are peasants and therefore agricultural production occupies a particularly important position in the economic activities in our country. At present, about 80 percent of the daily necessity goods in urban and rural areas are agricultural and sideline products and goods processed from these products; about 70 percent of the raw materials that are needed by light industry are supplied by agriculture while in our foreign trade, half of the revenue from foreign exchange is gained through exports of agricultural and sideline products and goods processed from these products. In order to guarantee that the socialist economic construction can be carried out smoothly, and that agricultural and sideline products are distributed in a planned way and rationally while social needs are ensured, it is imperative for the state to keep a certain amount of agricultural and sideline products. Consequently, the production and sales of major agricultural products in various places must be included in state planning. The various departments of agricultural production such as agriculture, forestry, animal husbandry, sideline production and fisheries produce many items of their own and objectively there exist certain proportionate relations among these production departments and production items. Therefore it is necessary for the state to consider natural conditions and economic conditions as well as the needs and possibility, and to do a good job of zoning so as to give planned guidance over the production in various places and form a rational agricultural production structure. At present, there are 6 million production teams across the country. Most of these production teams are basic accounting units. The production quotas and work quotas that are assigned by production teams to individual peasants' households are carried out individually. Therefore it is difficult for both production teams and peasant households to understand in an overall way the market situations of agricultural and sideline products and predict the development of these situations. Consequently they also need state planned guidance so that they will not carry out production blindly.

To stress the importance of agricultural production being put under the state planned guidance does not mean to abolish the decisionmaking power of production teams. By production team decisionmaking power we mean that the decisionmaking power of production teams must be put under state planned guidance. The "Resolution of the CPC Central Committee on Certain Questions in Stepping Up the Development of Agriculture" points out: "Under the premise of persisting in socialist orientation, implementing state policies, laws, and rules and regulations, and accepting state planned guidance, all the basic accounting units of the people's communes have the right to carry out farming according to their specific conditions, to decide on measures for increasing production, to decide on management methods, to distribute their own products and cash, and to oppose any unrealistic directive from any leading body or leading person." If we consider the decisionmaking power of production teams as a way to depart from state planned guidance and to permit production teams to grow whatever crops they consider profitable, apparently this view is not in line with the spirit of the decision made by the CPC Central Committee about the decisionmaking power of production teams. The state planned guidance we are talking about means following the needs of natural and economic laws, proceeding from reality and working out agricultural production plans according to specific conditions and all these accord with respecting the decisionmaking power of production teams. The state now does not generally draw up plans for the acreage of crops grown by production teams; it only defines the tasks of state purchase and assigned purchase of the major agricultural and sideline products that affect the national economy and people's life. Under the premise of respecting the state planned guidance and fulfilling the tasks of state purchase and assigned purchase, production teams have the right to arrange their own production. It is groundless to think that while we are stressing the importance of planned guidance, we do not respect the decisionmaking power of production teams.

Of course, there may appear to be contradictions between state planned guidance and the decisionmaking power of production teams. For example, by proceeding from the overall situation, the state requires that all places that are suitable for growing grain crops must grow such crops, because it is only in this way that the grain that is needed by the state can be guaranteed. This practice will also enable the places that are unsuitable for growing grain crops to undertake forestry or animal husbandry or when conditions permit, to grow industrial crops. But as the price parity between grain crops and industrial crops has yet to be rationalized, the income from growing grain crops is lower than that from growing industrial crops. As a result, production teams are not willing to grow grain crops rather than industrial crops. Another example is that the state requires production teams to sell greater quantities of some agricultural and sideline products; but production teams consider their own intermediate interests and consequently they are reluctant to respond to such requirements. In order to solve these contradictions, it is imperative, on the one hand, to step up ideological and political work among cadres and peasants in production teams so as to help them foster the idea of "taking the whole country into account" and correctly handle the relations of interest among the state, the collective and the individual. On the other hand, while working out guiding planning, the departments concerned must step up study and investigations so that the planning may accord with reality. When there are changes in reality, the planning must accordingly be amended or measures must be taken to look after the interests of production teams and peasants so as to minimize the difficulties involved in the production teams accepting state planned guidance.

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AQUATIC BREEDING AND THE QUESTION OF EATING

Beijing RED FLAG in Chinese No 16, 16 Aug 82 inside back cover

[Article by Xing Xiangchen [0438 3276 5256]]

[Text] Statistics showed that 60 million tons of protein is needed annually throughout the world as food for mankind; of this figure, 40 percent is animal protein. Fish is an important source of animal protein. At present, the average per capita world figure for aquatic products is 33 jin while the figure in our country is less than 10 jin, and when shells, moss and damage are deducted from this figure, the average per capita figure is just over half a jin per month. In order to solve the problem of feeding the 1 billion population in our country as soon as possible and to provide more and better protein for the urban and rural population, it is imperative to continue to develop grain production and improve the protein content of our grain crops and at the same time to spare no efforts to produce animal protein and develop animal husbandry and fishery. In developing fishery, it is imperative to further utilize and exploit the resources of ocean and hinterland waters so as to develop aquatic breeding.

The aquatic breeding industry in our country dates back a long time and has advantageous natural conditions. Our country's coastline is more than 18,000 kilometers long, with many rivers and much fertile water and therefore it is suitable for fish propagation. The area of continental-shelf fish-breeding grounds with a depth of less than 200 meters is 1.5 million square kilometers while the area of shallow sea and seashore that is suitable for manmade breeding grounds is 7.4 million mu. Our country is characterized by many rivers of various sizes and is dotted with lakes, ponds and reservoirs. The number of rivers with an area of more than 100 square kilometers each is more than 50,000. The total area of fresh water lakes is 36,000 square kilometers with the area suitable for fish breeding amounting to about 25 million mu. The number of big, medium and small reservoirs is more than 82,000 while the area suitable for fish breeding is more than 30 million mu. But of this enormous water area, only a little has been used for developing the aquatic breeding industry. For example, the utilization rate of the 75 million mu of water in the hinterland is less than 60 percent; a great amount of water surface is yet to be utilized. The output of the water surface that has been utilized is very low. For example, the average production of water ponds is only 113 jin per mu; the average production of lakes is less than 20 jin per mu while that of reservoirs is as low as only about 12 jin per mu.

In order to supply more and better aquatic products for our people and solve the problem of "no fish to eat," it is imperative first of all to improve our understanding, step up leadership, correctly handle the relations between grain and fishery production, put the latter on the agenda and do a good job in this respect. It is necessary to follow the principle of "giving play to advantages and avoiding disadvantages," with breeding as the key and to combine breeding with catching.

Second, it is necessary to sum up the experiences of aquatic breeding in our country and to popularize advanced technology. We have many traditional breeding methods such as combining agriculture with animal husbandry and fishery to solve the problem of fodder, making use of low-priced agricultural and sideline products and their "rejects" and particularly to use grass and droppings as the main fodder for increasing aquatic products. This method is also in the interest of maintaining the ecological balance and protecting the environment. In addition, we have also created such technical measures as mixed-breeding and coupled-breeding of various species and rotational catching and breeding that are important for increasing per unit output. We must also import and popularize advanced science and technology from other countries such as net-box breeding, the warm-running-water breeding method and other new methods.

Third, readjust fishery policy and develop many forms of aquatics production. Some regions with certain conditions may concentrate their efforts on setting up a number of aquatic breeding bases. Commune members, state-owned undertakings and collective undertakings must be encouraged to carry out fish breeding in some water areas that are scattered and where it is not easy to implement unified management. Incomplete statistics from the five provinces of Hunan, Hubei, Jiangxi, Jiangsu and Guangdong show that at present, more than 1 million peasant households are undertaking fish breeding. With correct policy, this method of fish breeding will achieve better results with less investment.

Fourth, step up the building of the ranks of technicians. From the viewpoint of the whole national economy, there is a shortage of science and technology in our agriculture, but the shortage of technology in aquatic breeding is even more acute. Therefore at present it is imperative to reorganize the ranks of aquatic technicians, set up a system and adopt all sorts of methods to train a planned and organized contingent of technicians that are both Red and expert.

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CONTENTS

Communist Ideology and Our Practice (pp 2-8)
(RED FLAG editorial department) 1

Further Promote the Succession of Old Cadres by New Ones (pp 9-11, 26)
(Commentator) 12

The Deeply Respected Comrade Cai Chang (pp 12-16, 32)
(Ou Mengjue) 18

The 3d Plenary Session of the 11th CPC Central Committee Creates a New Path for Agricultural Development in Our Country (pp 17-21)
(Zhan Wu, Liu Wenpu) 29

A Major Problem in Implementing the Policy Toward Intellectuals (pp 22-26)
(RED FLAG commentator) 39

Correctly Appraise the New Generation of the Chinese Working Class (pp 27-32)
(Yu Yannan) 47

A Letter to a Reader (inside back cover)
(Xiong Fu) 56

COMMUNIST IDEOLOGY AND OUR PRACTICE

Beijing RED FLAG in Chinese No 17, 1 Sep 82 pp 2-8

[Article by RED FLAG editorial department]

[Text] The 12th CPC National Congress has successfully opened. This congress will hold higher the banner of communism, analyze and answer major problems cropping up in the new stage of socialist construction with communist ideology and further point the way forward for the communist movement during the period of socialism. This is a congress of great historical and immediate significance. In order to study, propagate and implement all the documents and decisions of the congress in a satisfactory way, it is necessary, first of all, for us communists to study communist theory, enhance communist political consciousness, arouse our communist spirit and educate and unite the people with this theory.

I

What is communism? Communist theory and practice have told us that communism is a twofold thing: one is the communist social system and the other is the movement to realize communism. As the ultimate goal of our party, communism refers to the communist social system. Furthermore, to attain and realize the communist social system, it is necessary to pass through and depend on the communist movement. Why is our party called the Communist Party? This is because the goal of our struggle is a communist social system and our revolutionary practice is the communist movement. The Communist Party and communism are indivisible. Without the Communist Party, there would be no communist movement and the realization of a communist system would be out of the question; moreover, the Communist Party would not be worthy of its name if it did not struggle for a communist social system and carry out the communist movement. This is a most basic fact and also the most elementary knowledge.

What kind of system is the communist social system? Why does the Communist Party take it as its ultimate goal of struggle? This is because the communist social system is the most progressive, rational and fine social system in human history. In a communist society, classes and class differences will be completely eliminated, all major social distinctions and inequalities will be abolished, the whole people will have highly advanced communist political consciousness and moral values, the social productive forces will be highly developed, social products will be extremely abundant, the principle of "from each according to his ability, to each according to his work" will be implemented, labor will become a pleasurable undertaking and everybody will really become a person who enjoys freedom and develops in an overall way. It goes without saying that this is the happiest social system which has ever been seen in human history. The oppressed and exploited proletariat and other working people yearn for this social system day and night and warmly cherish the ideal of it. The Communist Party which takes the realization of the communist social system as its ultimate goal entirely reflects and represents the fundamental interests and wishes of the proletariat and other working people. This is an extremely great and lofty historical mission.

Some people say that the communist social system is a "daydream" and a "utopia." There have been people saying so ever since Marx and Engels put forth the scientific communist doctrine. Now there are still people saying so. This is not in the least strange. Among the people who say so are both bad and innocent people. We must strike a resolute counterblow at the enemy who slander and abuse communism; with regard to those who are unaware of the truth or the well-intentioned skeptics, we must conduct painstaking persuasion and explanation work among them. This is also extremely clear, definite and unequivocal.

Communism has appeared in the form of a "daydream" or "utopia" in history. For example, the socialism and communism of Robert Owen, Claude Henri de Saint-Simon and Charles Fourier in the early 19th century were in such a category. Owen and others criticized, censured and flung abuse at capitalist society and fancied that a better system would replace it. However, they failed to indicate the real way out. They not only failed to expound the nature of the capitalist system of wage slaves and bring to light the laws governing the development of capitalism but also failed to find out the social force to create a new society. The proletariat was, in their eyes, only a class which was subject to suffering and hardship. Therefore, their socialism and communism could be nothing but a "daydream."

The emergence of utopian socialism and communism not only indicated the protest of the proletariat against capitalist oppression and exploitation but also reflected the immaturity of the proletariat, that is, the proletariat had not entered the historical stage as an independent political force at that time. Engels pointed out: "Immature theory is suited to the situation of immature capitalist production and of an immature class. The solutions to social problems remain in the underdeveloped economic relationships and thus they have to come out of the brains. What the society reflects is only drawbacks, and the elimination of these drawbacks is the task of thought. This necessitates the invention of a new and more perfect social system and its imposition on society from outside through propaganda and typical demonstration if possible. This new social system is doomed from the outset to become a daydream. The more meticulously it is designed, the more it will degenerate into a sheer daydream." ("Selected Works of Marx and Engels," Vol 3, p 299)

In order to turn socialism and communism into a science, Marx and Engels put it on the basis of reality. In accordance with historical materialism and the theory of surplus value which they founded, Marx and Engels regarded socialism and communism as the result of the development of the socioeconomic movement of modern capitalist society and as the inevitable outcome of the struggle between the proletariat and the bourgeoisie rather than as the fortuitous discovery of some geniuses. The task of scientific socialism and communism is to study the economic course of the history which inevitably gave rise to these two classes and the struggle between the two, and to proceed from the resulting economic and political circumstances to find the means to solve contradictions and conflicts rather than conjuring up a possibly perfect social system. The communist social system emerges as the opposite of the capitalist social system. It is the result of the function of the social force brought about by capitalism. Therefore, the basic characteristics of the communist social system can be logically brought to light from the inherent contradictions of the capitalist social system. Of course, these characteristics can only be the general orientation and a rough sketch and are not, and cannot, possibly be well conceived and detailed concrete stipulations.

Marx and Engels were absolutely loyal to their own scientific communist doctrine. They always determined what could be determined in the light of actual conditions. Just as Lenin said: "There is no trace of an attempt on Marx' part to make up a utopia or to indulge in idle guesswork about what cannot be known. Marx treated the question of communism in the same way as a naturalist would treat the question of the development of, say, a new biological species, once he knew that it had originated in such-and-such a way and changed in such-and-such a definite direction." ("Selected Works of Lenin," Vol 3, p 243) It can thus be seen that the communist social system put forth by Marx and Engels is based on a host of absolutely true facts. It has nothing whatsoever to do with a "daydream" or an "illusion." If those who regard the communist social system as a "daydream" or a "utopia" are not muddleheaded, they must have ulterior motives. Those who are muddleheaded will become politically awakened so long as they are willing to earnestly study the works of Marx, Engels and Lenin.

We communists have never concealed our own political propositions. Our ultimate goal is to be determined to make China advance to a communist society. This is already fixed and admits of no doubt whatsoever. The name of our party and our Marxist world outlook already clearly point out this future, boundlessly bright and splendidly supreme ideal. At present, we are unswervingly marching toward this goal. No difficulties and obstructions can deter us.

II

Communism is an undertaking throughout ages. The realization of a communist social system in any country cannot be accomplished in one move. It will always go through a long process of practice. Without the unswerving disciplined hard work and heroic sacrifices of many generations, it is impossible for communism to make the transition from ideal to reality.

It is precisely in this sense that communism is not only a social system but also a movement and above all a movement. Marx and Engels pointed out long ago: "We call communism the real ["real" in boldface as published] movement which abolishes the present state of affairs." ("Selected Works of Marx and Engels," Vol 1, p 40)

The communist movement began the very day the Communist Party was founded. Internationally, the founding of the Communist League and the publication of the "Communist Manifesto" indicated the beginning of the communist movement. The first remark of the "Communist Manifesto" which clarifies the purpose and main theme from the very beginning is that "a specter is haunting Europe--the specter of communism. All the power of old Europe has entered into a holy alliance to exorcise this specter: pope and czar, Metternich and Guizot, French radicals and German police." ("Selected Works of Marx and Engels," Vol 1, p 250) The "specter" making all reactionary forces in Europe extremely frightened which Marx and Engels stated here means the communist movement. With the spread of communist ideas in the 1870's there emerged the Paris Commune in France; at the beginning of this century, the October Revolution took place in Russia. Neither of them practiced a communist social system but they undoubtedly all constituted the great communist movement which was of far-reaching significance.

The communist movement in China already has more than 60 years of history. From the day the CPC was founded, the CPC led the proletariat and the revolutionary people in embarking on the communist movement in the land of China in an organized and programmatic way. During the 28 years before the founding of the PRC, although the struggle we carried out was the new democratic revolution with the spearhead of struggle being directed at imperialism, feudalism and bureaucrat capitalism, it was an indispensable step in realizing communism in China and an important stage which we had to pass through. Therefore, during this stage, we smashed the warlords, struggled against the landlords and shared out the land, fought a bloody battle against the Japanese imperialists and overthrew the reactionary and decadent Chiang [Kai-shek] dynasty. All this constituted the communist movement. Party members and the broad masses of the revolutionary people carried out a persistent and heroic struggle for the cause of communism and thousands upon thousands of revolutionary martyrs gave their lives for it, shouting the slogan of "Long live communism." The struggle which we party members and party cadres carried out and the work which we did at our own posts constituted, in fact, a part of the great communist movement. Our enemy was also perfectly clear about this matter. At that time, they called our base areas the "communist-controlled areas." It was justifiable for them to say so because our base areas were where we started the communist movement. They called our army the "Communist Army." That was also justifiable because our army was exactly an armed group which was engaged in the communist movement.

However, some of our comrades find it hard to understand this matter. Regarding the new democratic revolution as a communist movement, as they see it, seems not to tally with Marxism. Actually, they precisely forget Marxism. Marx and Engels said: "The communists struggle for the immediate goal and interests of the working class but concurrently represent the future of the movement." ("Selected Works of Marx and Engels," Vol 1, p 284) They also pointed out: "At the various stages of development traversed by the struggle between the proletariat and the bourgeoisie, the communists represent all along the interests of the whole movement." ("Selected Works of Marx and Engels," Vol 1, p 264) The historical facts are exactly like this. The new democratic revolution led by our party was not only for the sake of the immediate goal and interests of the working class and other working people but more important, was also for the sake of the ultimate realization of communism in China. Concerning this matter, our party's program has made quite clear statements. Comrade Mao Zedong said: "The Communist Party has an immediate and a future program, a minimum and a maximum program, with regard to the social system it advocates. For the present period, new democracy, and for the future, socialism; they are two parts of an organic whole, guided by one and the same communist ideology." ("Selected Works of Mao Zedong," Vol 2, p 647) For this reason, winning victory in the new democratic revolution is only our minimum program and realizing communism is our maximum program. Did we party members not all make a solemn vow to dedicate our whole lives to the realization of communism when we joined the party? Is there not a phrase the "Internationale is bound to be realized" in the "Internationale" which we often sing with spirit? That is to say, our ultimate goal is to realize communism. In the course of the new democratic revolution, our party has educated thousands and tens of thousands of party members and advanced elements with this communist ideology to devote themselves to the noble cause of communism. If it had not been for communist ideology that guided us in our struggle, we would not have been able to win complete victory in the new democratic revolution, let alone to realize the transition from new democracy to socialism.

Since the founding of the PRC, the communist movement has been developing more vigorously in China. Following the complete victory of the new democratic revolution, our party led the people in completing the task of the socialist transformation of the private ownership of the means of production, putting an end to the history of the exploiting classes and exploitative system which had existed for several thousand years in China and establishing brand-new socialist political and economic systems. Then, our party again led the people in carrying out large-scale socialist construction. Although in the course of construction we traversed a tortuous path, no one can obliterate the achievements scored in construction. We have now entered a new historical stage. The party is leading the whole party and the people of all nationalities throughout the country in carrying out the socialist modernization program in all spheres to build our country into a country with highly advanced material and spiritual civilization. This is a grand-scale and far-reaching communist movement that has never been exceeded since the founding of our party. The full-scale development and full maturity of this movement under socialism will bring us nearer and nearer to the ultimate goal of communism. To fulfill this great task, we must hold high the banner of communism, carry forward the communist spirit, and persist in carrying out the revolutionary struggle in all spheres until the supreme communist ideal is fully realized. The

"Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" adopted by the 6th Plenary Session of the 11th CPC Central Committee pointed out: "This is a great revolution, unprecedented in human history. Our present endeavor to build a modern socialist China constitutes but one stage of this great revolution." This is the glorious task which history has entrusted to us. All of us party members and party cadres must devote ourselves to doing our bit for this great revolution.

Differing from the communist movement during the period of the new democratic revolution and also from that during the period of the transition from new democracy to socialism, the communist movement in which we are now engaged has its own characteristics. With the establishment of a socialist social system, it has become a communist movement during the stage of socialist society. At present, the conditions, whether objective or subjective, for us to struggle for the cause of communism are better than in any preceding period. First, through several decades of the party's efforts to conduct propaganda and education, communist ideas have increasingly taken root in the hearts of the people, with more and more people believing in communism and fewer and fewer people doubting and even opposing communism. Next, in the socialist society in which we live, there exist many communist factors. With the continuous development of socialist society and the reinforcement of education in communist ideas, there will surely emerge more communist new people and things. Again, through the 60-odd years, and particularly the last 30-odd years, of the communist movement since the founding of the PRC, our party has accumulated rich historical experiences, both positive and negative, and formulated entirely correct line, principles and policies which are suited to the state of things at the present stage. In sum, as the primitive phase of communist society, the basic content of socialist society is to prepare both material and spiritual conditions for moving on to communist society. This determines the nature, orientation and tasks of the communist movement under socialism.

The communist movement has more than 60 years of history in China. That is to say, the communist ideology founded by Marx and Engels has for more than 60 years been tested by practice in China and has been proved, and will continue to be proved, to be an incomparably correct scientific truth. However, when discussing the question that practice is the only criterion for testing truth in 1978, some comrades unexpectedly put forth the following argument: Communism is a truth but it has not been tested in practice. It can therefore be seen that truth should not necessarily be tested by practice and practice is thus not the only criterion for testing truth. This is out-and-out nonsense. The history of the practice of the communist movement in which our party has been engaged since its founding, as stated above, essentially refutes this erroneous view. Are all struggles which we carried out during the period of the new democratic revolution actually not the great practice of the communist movement? Are the socialist revolution and socialist construction in which we have been engaged since the founding of the PRC not precisely the great practice of the communist movement? If we say that communism has not been tested in practice, then what is the purpose of our holding meetings to sum up experience? What is the fundamental nature of this experience? By summing up experience, we mean summing up our experiences in practicing communism at the different stages of development, that is, the experiences in developing the communist movement. The "Resolution on Certain Questions in the History of Our Party" adopted by the enlarged 7th Plenary Session of the 6th CPC Central Committee was the summarization of the practical experiences in developing the communist movement during the 24 years after the founding of the CPC; and the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" adopted by the 6th Plenary Session of the 11th CPC Central Committee was the summarization of the practical experiences in developing the communist movement during the 32 years since the founding of the PRC. This shows that communism, this great truth, has for years experienced the test of historical practice in China. Practice has proved it to such an extent that to this day every one of us can feel it in real life. With regard to the future communist social system, we have not yet practiced it. Marx and Engels made general assumptions on the communist social system. The correctness of these assumptions, and in particular, whether or not they can be realized according to the ways and patterns which they assumed, needs of course to be tested in practice. The comrades who put forth the above-mentioned erroneous argument do not refer to this point alone. They fundamentally negate that communism is a process of practice. In this way, they do away with the indispensable relationship between communism and practice. Furthermore, doing away with this relationship will lead nowhere other than to an erroneous conclusion, that is, negating that all the revolutionary struggles we carried out in the past, and are carrying out at present, have the nature of putting communism into practice, and as a result, negating that communism is a scientific truth and regarding it merely as a hollow and abstract belief.

III

The communist movement, from the outset, has been directed by communist ideology. Without the communist ideological system founded by Marx and Engels, there would be no communist movement for us to speak of. The communist movement, from a "specter" haunting Europe, has become, after the experience of 100-odd years, a great mass movement which is sweeping the world with tremendous momentum. This is wholly due to the guidance of communist ideology. The victory of the international communist movement is the victory of communist ideology and the victory of the Chinese communist movement is also the victory of communist ideology.

It is no accident that communist ideology has unparalleled might. Lenin pointed out: "Communist theory--the science of communism created mainly by Marx, this doctrine of Marxism--has ceased to be the work of a single 19th century socialist, even though he was a genius, and it has become the doctrine of millions and tens of millions of proletarians all over the world, who are applying it in their struggle against capitalism." "That was because Marx based his work on the firm foundation of human knowledge acquired under capitalism. After making a study of the laws governing the development of human society, Marx realized the inevitability of capitalism developing toward communism. What is most important is that he proved this on the sole basis of a most precise, detailed and profound study of this capitalist society by fully assimilating all that earlier science had produced." ("Selected Works of Lenin," Vol 4, p 347) He went on to say: "The Marxist doctrine is omnipotent because it is true. It is comprehensive and harmonious, and provides men with an integral world outlook irreconcilable with any form of superstition, reaction, or defense of bourgeois oppression." ("Selected Works of Lenin," Vol 2, p 441) Communist ideology not only guides the communist movement but at the same time is also tested by the communist movement. It advances with the development of the communist movement. The more than half a century of the party's revolutionary practice has further developed Marxism-Leninism and enriched the contents of communist ideology which can thus more powerfully guide the communist movement.

The communist movement led by our party has undergone many historical stages. As we have mentioned above, what we are now engaged in has become the communist movement during the period of socialist society--the primitive phase of communism--rather than the communist movement in the general sense. In accordance with historical experience, the strengthening of the guidance of communist ideology is even more necessary during the period of socialist society. Just as without the Communist Party, socialism cannot be built, without communist ideology, it is impossible to build socialism. However, some people even go so far as to say that spreading communism and strengthening propaganda and education in communist ideas and ethics in the period of socialism is "transcending historical stages" and "contradictory to the policy of distribution according to work," and so on. These viewpoints and arguments are utterly wrong.

First, during the period of the new democratic revolution, we were already adhering to guiding all our work with communist ideology, standardizing the words and deeds of the party members and advanced elements, and spreading the communist spirit, such as serving the people wholeheartedly, "being selfless" and "utter devotion to others without any thought of self." We have now entered the stage of socialist society--the primitive phase of communism--so why can we now not do so? This cannot be explained away.

Second, in socialist society, we resolutely uphold the implementation of the principle of "from each according to his ability, to each according to his work," continuously perfect it as a matter of policy and strive to overcome egalitarian drawbacks. However, implementing this principle precisely needs, rather than excludes, the encouragement of a communist attitude toward labor among the masses of people. Party members and party cadres in particular must energetically engage in work without fixed quotas, regardless of remuneration and self, of their own accord and in the spirit of discharging their responsibilities for society to the best of their ability rather than confining themselves to the principle of "distribution according to work." In fact, inside and outside the party there are people who are engaged in this noble labor in all matters. Just imagine, can the advanced deeds of those who sacrifice themselves to save others, and particularly the thoughts and actions of those who sacrifice their own happiness and even give their lives for the sake of safeguarding the motherland

and the lives and property of the people be explained by the principle of "distribution according to work"? Upholding the principle of "distribution according to work" and encouraging the communist attitude toward labor are mutually complementary rather than being contradictory. Encouraging a communist attitude toward labor and advocating handling various social relationships with communist ethics are the required conditions for ensuring the correct implementation of the principle of "distribution according to work" rather than obstacles to the implementation of the principle. Innumerable facts have shown that wherever education in communism is strengthened, the principle of "distribution according to work" is satisfactorily implemented, the enthusiasm of the people for labor is high, the people tackle difficulties themselves and make things easy for others, they work with one heart and one mind and help one another in unity; and wherever the education in communist ideas is discarded or weakened, there emerges the trend of "doing everything for the sake of money," the principle of "distribution according to work" turns into "working according to remuneration," with everyone haggling over every ounce and even "not working despite receiving remuneration," discipline becomes lax, dereliction of duty occurs and out-and-out egoism and anarchy run rampant. These phenomena call for deep thought.

Third, in socialist society, class struggle will continue to exist within certain limits for a long time to come and the corrosive influence and attacks of capitalist ideology are still very serious. "Distribution according to work" is a socialist principle and is antagonistic to the capitalist principle of distribution. However, facts have indicated that it is impossible to resist the corrosive influence and attacks of capitalist ideology by relying on the principle of "distribution according to work" alone. To effectively resist the corrosive influence and attacks of capitalist ideology, it is imperative to rely mainly on communist ideas. Some veteran party members and veteran cadres were not conquered by the enemy's force of arms during war years and were not compelled to submit by the despotic power of the Lin Biao and Jiang Qing counterrevolutionary cliques during the 10 years of internal disorder. They are worthy of the title of hero and fighter. But they were defeated and became captives in the face of the corrosive influence and attacks of capitalist ideology. Where does the reason lie? It is mainly because they have discarded communist ethics, lost the purity of communism, and forgotten and abandoned their original intention of vowing to struggle for communism. This lesson is quite profound.

Theory and practice as well as history and reality tell us that in the socialist society, we must propagate communism boldly and forcefully. First we must teach all the party members and party cadres to preserve their own purity of communism, to standardize their words and deeds with communist ethics and observe and handle all matters with communist ideology. Then we should influence and unite the broad masses of people through the model and vanguard role of all the party members and party cadres and, together with the masses of people, develop socialist spiritual civilization with communist ideas as its core and train the Chinese people into men with revolutionary ideas, revolutionary morality, revolutionary discipline and culture. Only in this way, can the orientation of socialism be upheld and the modernization program be victorious.

Of course, by adhering to guiding our actions and work with communist ideology during the period of socialism, by no means do we need to carry out immediately the policy of realizing top-level communism. In the wake of the October Revolution, in the process of leading the socialist revolution and construction, Lenin time and again stressed that the work of spreading communist ideas on the most extensive scale should be propagated, and he highly praised and warmly supported the communist factors and buds (such as "weekend voluntary labor") which emerged at that time. At the same time, he again pointed out that the communist system should not be prematurely carried out, and held that it was harmful and dangerous to do so before the material basis was ensured for carrying out the communist system. While leading the new democratic revolution in China, Comrade Mao Zedong also said: "Beyond all doubt, now is the time to spread communist ideas more widely and put more energy into the study of Marxism-Leninism, otherwise we shall not only be unable to lead the Chinese revolution forward to the future stage of socialism, but shall also be unable to guide the present democratic revolution to victory. However, we must keep the spreading of communist ideas and propaganda about the communist social system distinct from the practical application of the new democratic program of action; we must also keep the communist theory and method of investigating problems, undertaking research, handling work and training cadres distinct from the new democratic line for national culture as a whole. It is undoubtedly inappropriate to mix the two up." ("Selected Works of Mao Zedong," Vol 2, p 666) We must firmly bear in mind and follow the principles concerning the relationship between communist ideology and existing policies, which were expounded by Comrades Lenin and Mao Zedong. We are now in a stage of socialism. As the primitive phase of communism, there are many communist factors in socialism and moreover it is advancing and developing toward its higher phase--communism--but there is, after all, a distinction between socialism and its higher phase--communism. In the past we paid a high price for mixing up and obliterating the demarcation line between the primitive and advanced phases of communism and being overanxious to overstep the primitive phase. It goes without saying that this should not be repeated. Therefore, during the period of socialism, we must adhere to the guidance of communist ideology and strengthen the education in communist ideas and must not be vague and waver in the slightest degree on this matter; at the same time, we must determine our policies under the guidance of communist ideology and in light of current actual conditions and resolutely carry them out. The argument and practice of mixing up the two different stages of development, socialist and communist, in the conditions of the present policies is wrong. The argument and practice of approaching problems in an isolated and one-sided way, denying the nature of our socialist system as being the primitive phase of communism, and thus proceeding to deny the guidance of communist ideology and deny the practice of the communist movement guided by this ideology, is also wrong. That is to say, we must conduct the struggle between two lines both in theory and practice. On the one hand, we must not isolate socialism from communism and set the former against the latter in theory and practice and negate the necessity of taking communist ideology as the guiding ideology in socialist society and on the other hand, we must also not mix up and equate socialism with communism in terms of the stage of development, and must not carry out the policies of its higher phase--communism--in the period of socialism. Only when this extremely important Marxist principle is effectively grasped and implemented, can it be ensured that our communist movement will consistently and healthily develop along a correct course.

We should have the whole world in view and look forward to the future. With a rosy future, we are full of pride and enthusiasm. Under the direction of the line of the 12th national congress of the CPC, let us hold high the banner of communism and continuously push the communist movement during the period of socialist society forward to the long-range goal of communism in a down-to-earth and highly effective way.

CSO: 4004/2

FURTHER PROMOTE THE SUCCESSION OF OLD CADRES BY NEW ONES

Beijing RED FLAG in Chinese No 17, 1 Sep 82 pp 9-11, 26

[Commentator's article]

[Text] The succession of old cadres by new ones has been going on steadily and healthily since the 3d Plenary Session of the 11th CPC Central Committee, thanks to the exemplary role of the proletarian revolutionaries of the old generation in vigorously, patiently and carefully pushing forward the work in this respect. This year, the CPC Central Committee has regarded streamlining of the administrative structure as a major task for the whole year, thereby greatly accelerating the progress of the succession of old cadres by new ones and making it possible for this succession to progress smoothly among the leading cadres of the central organs of the party and state. Our current task is to further promote the succession of old cadres by new ones from the top downward and in an overall manner and to make this an important matter, a matter of strategic significance to our party's communist cause, to produce the desired results.

The succession of old cadres by new ones means to build powerful, energetic leadership organizations fully capable of accomplishing socialist modernization and to set up leading groups which are more revolutionary, younger in average age, better educated and more professionally competent in all leading organs of the party and state. Specifically, this means that in the leading groups of the party and state at various levels, a number of old cadres will retire and at the same time a number of middle-aged and young cadres who have both ability and political integrity will be promoted to the leading posts.

Because of historical reasons and other reasons arising from work, our ranks of cadres are faced with the question of the succession of old cadres by new ones. At present, the leading organs of the party and state at various levels are vexed with the questions of "senility" and "inadequate knowledge." These questions are very serious in some localities. In some leading organs of the party and state, there is an acute contradiction between these questions and the demands put on leadership work during the new historical period. This situation can be thoroughly changed by starting from the top down to promote the succession of old cadres by new ones. Therefore, the succession of old cadres by new ones is not just a task for a few central organs of the party and state but is a common task confronting the leading organs of the party and state at all levels. Negligence of this question of succession will seriously impede the establishment of a leading group which is more revolutionary, younger in average age, better educated and more professionally competent. Now much headway has been made in the replacement work in the central party and state. The replacement work will start soon in all leading organs of the party and state at the provincial, municipal, autonomous regional, prefectural and county levels. Only when the replacement work has been accomplished by all leading organs ranging from the central to the grassroots levels in accordance with the plans and principles drawn up by the CPC Central Committee can we establish a powerful, energetic leading body suited to the needs of the four modernizations. This is the only way to convince the cadres and the masses to minimize the obstacles of all kinds hindering replacement work and, subsequently, to accelerate progress in this work.

The key to carrying out replacement work lies in the promotion of thousands of outstanding middle-aged and young cadres. That is to say, it is imperative to promote hundreds of thousands and even millions of these cadres and absolutely not just a few or a few dozen of them. For a long time in the past, in handling the question of promoting revolutionary successors, we held the wrong viewpoint that only a few people should be promoted. We consciously or unconsciously linked the future development and the destiny of the proletarian revolution with only a few people and neglected the role of the vast number of cadres and the broad masses of people. This method of thinking and work was incompatible with the principle of the proletariat. Our mistake taught us many lessons. During the last few years of his life, Lenin did some hard thinking about a series of questions regarding the training of successors to the revolutionary cause of the proletariat. Many of his valuable opinions still provoke our deep thoughts and serve as our guide today. In a letter dictated by him to the congress in 1922, he first proposed increasing the number of Central Committee members. As we see it today, the essence of this proposal was to train and cultivate large groups of successors to the revolution. He held that this increase is good in that it might serve "a double or even a treble purpose." He said: "Such a reform would considerably increase the stability of our party" and "the stability of our party would gain a thousandfold." ("Collected Works of Lenin," Vol 36, pp 615-616) During the period of China's socialist construction, Comrade Mao Zedong pointed out more clearly: "In order to guarantee that our party and country do not change their political color, we must not only have a correct line and correct policies but must train and bring up millions of successors who will carry on the cause of proletarian revolution." (Quoted from 14 July 1964 RENMIN RIBAO) Undoubtedly, these opinions are very correct and we can learn from them the great importance of training and bringing up millions of successors to the revolution. Today, our party has put forth that it is necessary to promote hundreds of thousands and even millions of middle-aged and young cadres. This is not only a summing-up of our party's experiences and lessons on the question of succession but also a summing-up of the experiences and lessons on this question acquired in the international communist movement. Our party is now leading the socialist modernization in a big country with a population of 1 billion. The socialist modernization is an extremely important stage of development in our entire historical course of achieving the great ideal of communism. Whether for the purpose of guaranteeing the continuity and stability of our party's line and policies, or for the purpose of preserving our party's purity of communism, or even for the purpose of accomplishing the various historical tasks at the present stage, it is necessary for us to promote middle-aged and young cadres as an important task which should be carried out in a planned way. The party's organizational departments and the party and government organs at all levels should jointly carry out this task. Any crude and careless styles of work and rash and arbitrary actions may lead to a new disaster.

The most important point in promoting millions of middle-aged and young cadres is to consider their political qualities. We must be vigilant against "three kinds of people." That is to say, we must never promote those who rose to prominence by rebellion, those who displayed strong factionalism and those who indulged in beating, smashing and looting. None of them should be promoted. Those among them who have been promoted must be resolutely dismissed. These "three kinds of people" are political dangers. Once leadership power is in their hands and the political climate is good for them, they will make trouble and again play the tricks of the "gang of four." For this reason, before the middle-aged and young cadres are promoted, their behavior during the "Great Cultural Revolution" must be seriously considered. At the same time, their political record after the downfall of the "gang of four" and in particular after the 3d Plenary Session of the 11th CPC Central Committee must be considered. Those who politically, ideologically and organizationally oppose the four basic principles, those who stubbornly resist the party's Marxist line, principles and policies and those who have committed serious political, economic and organization crimes must not be admitted into the leading groups. Those who grovel at the feet of the capitalists and those who are interested in the capitalist tricks and hanker after the bourgeois way of life are degenerates inside our ranks. They will play an enormous role in eroding our party organizations and our revolutionary ranks. Their serious danger should not be underestimated. Those who are seriously imbued with selfish ideas, whose political qualities have always been undesirable and whose work is not motivated by principle must not be allowed to sneak into the leading groups. We must specially emphasize that a party cadre, no matter how high his position and how important his work, must be a "servant of the people," treat others as equals and appear among the masses as an ordinary member of the working people. He must remain humble and prudent, honest, open and aboveboard, energetic in work and must never exploit his office to seek private gain and to profit at the expense of the masses and the state. In his actions he must observe the revolutionary discipline, faithfully carry out the party's policies and keep in line with the CPC Central Committee. He must not hesitate to sacrifice his all and to fight his whole life for the communist cause. In short, our purpose of promoting middle-aged and young cadres is to make sure that there are successors to the cause of proletarian revolution and that the communist movement may be carried on generation after generation. For this reason, the middle-aged and young cadres who are to be promoted must, first, have the political qualities of being loyal to the people and holding themselves responsible to the people and, second, are capable of serving the people. That is to say, they must be both Red and expert and have both ability and political integrity. It is extremely wrong to promote a cadre by seeing only that he is young and capable and without considering his political performance and quality.

In promoting middle-aged and young cadres, special attention should be paid to promoting and using those who are intellectuals. After the founding of the PRC and before the "Great Cultural Revolution," about 5 million intellectuals graduated from colleges and universities or attained equal educational level through private study. They have already become the backbones in our country's socialist modernization. Close attention should be paid to bringing their role into full play. Facts have shown that in an enterprise, department or locality, our work in all fields will develop if there is a group of "people in the know" who have special knowledge and are active in work and capable of maintaining ties with the masses. We must understand that qualified personnel can be trained only by being boldly used and that experience can be accumulated only through practice. The intellectuals' shortcomings should not be indiscriminately dealt with. For example, arrogance certainly is a shortcoming which should be overcome. However, one who does not have a bit of confidence can achieve nothing. Moreover, some of the shortcomings of the intellectuals are caused by their being divorced from reality. They can be corrected if the intellectuals are helped to maintain ties with the masses even though they may be holding some leading posts. There are qualified personnel around. They are before your eyes once you widen your field of vision. Once the guidelines put forth by the CPC Central Committee are implemented, it is definitely possible to discover and promote large groups of qualified or outstanding middle-aged and young successors.

In short, to further promote the succession of old cadres by new ones, it is necessary to implement the CPC Central Committee's policy on the succession of old cadres by new ones at all levels without exception, to promote hundreds of thousands and even millions of middle-aged and young cadres and to closely consider the political qualities and performances of the middle-aged and young cadres to be promoted. In this way, we can gradually, steadily and comprehensively accomplish the succession of old cadres by new ones and establish a leadership system suited to the tasks of socialist modernization. This is a demand imposed on us by socialist modernization. We must not even slightly slacken our efforts, hesitate and fall short of this demand. Otherwise, our ardent wish and strategic plan for attaining our great goal at the end of this century will come to nothing because we have a weak leading group.

The exemplary role of the old comrades is of utmost importance in further promoting the succession of old cadres by new ones. The old comrades are a valuable treasure of our party and state. In the struggle to found and develop our state, they showed no fear of self-sacrifice and fought bravely, making tremendous contributions. Now they will retire from their work posts, painstakingly select successors from among the middle-aged and young cadres, thus ensuring that the ranks of cadres are more revolutionary, younger in average age, better educated and more professionally competent and that there are successors to the cause of the proletarian revolution. This is yet another historic contribution they make to the party. It will be remembered forever by the future generations. The realization of our great communist cause needs the arduous struggle and the continuous course of succession of the old by the new throughout many, not just a few, generations. At all times and under all circumstances, a proletarian revolutionary fighter must never slacken his efforts but must struggle ceaselessly. The old comrades understand that although they have now retired, their revolutionary spirit must never recede and they must still carry out the work of passing on experience, giving help and setting examples in training the middle-aged and young cadres. Only by doing this work well will they have contributed their last ounce of strength to the party and the revolutionary cause. They also see this point very clearly: They are old and weak. They must live a few more years in order to contribute more to the party. In order to live a few more years, they should do less work. In this sense, doing less work means having more time for doing the work; doing more work means having less time for doing the work.

All our comrades, the old ones in particular, must have a high sense of responsibility for the work of promoting the succession of old cadres by new ones and must be aware of the urgency with which this work should be done. In fact, it is now time for solving without fail the problem of promoting middle-aged and young cadres, who have both ability and political integrity, to the leading posts at all levels and in various fields. Meanwhile, there are conditions for solving this problem. In particular, proletarian revolutionaries of the older generation are still around, a large number of old comrades are consciously displaying their revolutionary spirit and playing an exemplary role, and a large number of middle-aged and young cadres have both ability and political integrity and are capable of shouldering the responsibility of inheriting the past and ushering in the future. Our middle-aged and young cadres do not have so much revolutionary experience as the old cadres do. However, generally speaking, they have been trained after the founding of the PRC and are better educated. They also have acquired a great deal of experience in revolutionary work, thanks to their training in practical work for many years. Judging by those who have been promoted to the leading posts, almost all of the middle-aged and young cadres are full of vigor and highly enthusiastic in their work and, with the help of the old comrades, can do their work competently. Therefore, if we choose the right ones among them and if the old comrades do well their work of passing on experience, giving help and setting examples in training the new ones, the middle-aged and young cadres who have both ability and political integrity and who have been promoted can gradually assume the leadership work of the party and state at all levels. We should have full confidence in them.

From now on, the succession of old cadres by new ones should be gradually institutionalized. That is to say, it is necessary to establish the cadres' retirement system and to abolish the de facto lifelong tenure of office of the leading cadres. The establishment and application of this system are of great significance to the building of our party and the development of the cause of proletarian revolution. Facts tell us that the existence of the lifelong tenure of office of the leading cadres dampens the enthusiasm of the middle-aged and young cadres, causes the gradual "senility" of the leading groups and leads to the "senile cycle." Under these circumstances, our leading groups can hardly maintain their exuberant vitality and subsequently our socialist modernization cannot be smoothly carried out, our state can hardly cope with the sudden changes in the international field and will have to face sudden social upheavals caused by the question of successors. Precisely for this reason, after careful consideration, our party has determined to reform the present cadre system. Of course, due to the present conditions in our cadre ranks, some transitional methods have to be adopted to gradually enforce the cadres' retirement system and to finally and completely abolish the de facto lifelong tenure of office of the leading cadres.

The succession of old cadres by new ones has always been a major problem in our party. Serious lessons on this problem have been learned in the international communist movement and in our party. Now our party actively, systematically and methodically carries out replacement work within the cadre ranks. This shows that the CPC has taken a step forward in becoming a mature, great party. Under the leadership of this mature, great party, the succession of our old cadres by new ones can surely and triumphantly be accomplished and our communist cause will definitely prosper and be carried on from one generation to the next generation. There is no doubt whatsoever about this.

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THE DEEPLY RESPECTED COMRADE CAI CHANG

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[Article by Ou Mengjue [0575 1125 6030]]

[Text] Comrade Cai Chang is a proletarian revolutionary of the elder generation, an outstanding leader of the women's movement of our country, and a noted activist in the international progressive women's movement. She is deeply beloved and respected by the people. As early as in early 1926 I had the privilege of making her acquaintance. Since then, for more than 50 years, I have worked alongside her on various occasions. She has greatly impressed me with her affectionate concern and patient teaching. She was and is my good teacher. When I heard and read the message of greeting extended to her by the 7th Plenary Session of the 11th CPC Central Committee, I was greatly excited. Each and every word of the message brought to me a reminiscence of the past.

I

Comrade Cai Chang always stood at the forefront of the struggle in the various historical stages of the country's revolution. In this way, she has made an immortal contribution to the revolutionary course of the proletariat. Truly, she was the most outstanding feminine revolutionary of our party.

Comrade Cai's native place is Yongfeng village of Xiangxiang County (now known as Shuangfeng County), Hunan Province. Quite a number of relatives of her family are known to have sacrificed their lives for the sake of the revolution. Her mother, Ge Jianhao, was a revered old lady who was always keen for advancement, progressive in thinking, and imbued with a determined fighting spirit. Her elder brother Cai Hesen was one of the leaders of our party in its initial stages and was an outstanding proletarian revolutionary and theorist. He was killed in 1931 by the Kuomintang reactionaries. Her sister-in-law Xiang Jingyu was also one of the leaders of our party during its early stages. She was an outstanding leader of the feminist movement. She was killed in 1928 by the KMT reactionaries. She had another brother, Cai Luxian, a graduate of the Whampoa Military Academy and a member of the Communist Party. During the big Guangzhou-Hong Kong strike he acted as the commander of the Workers' Picket Corps. He was killed in the course of the struggles. Comrade Cai Chang was brought up in a family environment of this nature.

In her early youth, under the influence of Mao Zedong, Cai Hesen and Xiang Jingyu, Comrade Cai Chang took part in various progressive campaigns such as the May 4th movement, and in this way received new ideas and new culture.

Before and after the May 4th movement, Mao Zedong, Cai Hesen and others started a movement to organize young Hunanese to study in France as students under the part-work and part-study system. Xiang Jingyu and Comrade Cai Chang jointly organized an association of Hunanese girl students for the same purpose. From 1920 to 1924, Comrade Cai Chang was in France studying in such a capacity. She was able to mingle well with Chinese workers and French workers. She studied diligently the French language and various Marxist-Leninist publications such as the "Communist Manifesto." She was an active participant in such movements as the "28 February" movement under the leadership of Comrade Cai Hesen and the "Reject Indemnity" and "Occupy the Sino-French University of Lyons" movements led by Comrades Cai Hesen, Zhou Enlai, Zhao Shiyan, and others. In 1920, she became a member of such progressive bodies as the New People's Study Society, and the Workers' World Study Society. In 1922, she joined the China Socialist Youth League (European Branch). The following year, through the introduction of Comrade Zhao Shiyan and Liu Bojian, she became a regular member of the Communist Party of China (European Branch). In 1924, she was sent to the Soviet Union by the party organ to study at the Eastern University in Moscow.

There she made a more intensive study of Marxism-Leninism and the experiences of the Soviet Union's socialist revolution.

While Comrade Cai Chang was studying in the Soviet Union, a new revolutionary high tide was surging in China. To meet urgent needs, the party organization transferred her back to China. In August 1925, she arrived at Guangzhou and took part in the Northern Expedition. She served as assistant secretary and then secretary of the Women's Committee of the Guangdong-Guangxi CPC Committee. That period was the first period of KMT-CPC cooperation. The party sent her to serve as a cadre in the Central Women's Department of the Kuomintang and concurrently as the dean of the Research Institute of the Central Women's Movement, helping He Xiangning, head of the department, to promote the women's movement. As a result of efforts rendered by He Xiangning, Deng Yingchao, and herself, the women's movement in Guangdong enjoyed rapid development. Following the start of the Northern Expedition, Comrade Li Fuchun became the party representative of the 2d Army. She likewise followed the troops northward to Nanchang and took part in political work in the army as well as in the women's movement of Jiangxi Province. Soon afterwards, she arrived in Wuhan and became the head of the Women's Department of the Hubei Provincial CPC Committee. In April 1927, she attended the fifth party congress.

The failure of the great revolution caused the death of thousands of Communist Party members. Comrade Cai Chang then proceeded to Shanghai, the city of White terror, to engage in underground work. She led the strikes of the women workers in the Huxi Cotton Mill and the Zhabei Silk Factory. In June 1928, she attended the sixth party congress in Moscow and also attended the sixth congress of the Communist International. Afterwards, she traveled back and forth between Hong Kong, Shanghai and other places to continue to engage in the party's underground work.

At the end of 1931, Comrade Cai Chang proceeded from Shanghai to the central revolutionary base. At first she worked at the Political Department of the Ruijin Red Army Academy. She personally lectured on the history of social development to army cadres. The cadres who attended her lectures can still recollect that Comrade Cai Chang's lessons and lectures were impressive and moving, made people increasingly interested and enabled them to learn many of the truths of Marxism. Afterwards, she journeyed to places such as Xingguo and Ningdu and became the head of the Organizational Department of the Jiangxi Provincial CPC Committee, concurrently head of the women's department, chairwoman of the supervisory committee for industry and agriculture of Jiangxi Province, and so on. Subsequently, she took part in the world-famous 25,000-li Long March.

At the end of the Long March, Comrade Cai Chang at first worked in the Shaanxi and Gansu provincial CPC committees. She served as the head of the united front department, head of the organization department and secretary of the Zhongxin County party committee. Afterwards when in 1941 the party Central Committee reorganized the Central Women's Committee, she succeeded Wang Ming and served as acting secretary of the Central Women's Committee. She was generally responsible for promoting women's participation in the anti-Japanese struggle. In April 1945, she attended the seventh party congress and was elected a member of the Central Committee. In the same year, she was elected head of the Women's Union of China's Liberated Areas.

Following the triumphant conclusion of the anti-Japanese war, Comrade Cai Chang left Yanan and arrived at the northeast China liberated zone. She continued in her capacity as secretary of the CPC Central Women's Committee and concurrently served as the secretary of the Northeast China Bureau Women's Committee. She organized the vast masses of women to take part in the war of liberation. Following the peaceful liberation of Beijing, she organized and took charge of the convening of the First All-China Women's Congress. She was elected chairwoman of the All-China Democratic Women's Union.

After liberation, Comrade Cai Chang, in her capacity as chief representative of the All-China Women's Union, took part in the first session of the Chinese People's Political Consultative Conference. She was elected a member of the central people's government. She served as first secretary of the Women's Committee of the CPC Central Committee and continued to act as the chairwoman of the All-China Women's Union. Furthermore, she was successively a member of the 8th to 11th CPC Central Committees and was also the vice chairwoman of the Standing Committee of the 4th and 5th National People's Congresses. She thus worked wholeheartedly and diligently for the party and the people.

In the course of our party's various struggles against erroneous thinking, Comrade Cai Chang was unwavering in her stand. She spontaneously supported the correct line held by Comrade Mao Zedong and other comrades. During the period of the first KMT-CPC cooperation, Chiang Kai-shek singlehandedly engineered the "Zhongshan gunboat incident" and brought forth the "party reform program" in an endeavor to attack the Communist Party and break the KMT-CPC cooperation. Comrade Cai Chang maintained the same stand as Mao Zedong, Zhou Enlai, Chen Yannian and other comrades and was firmly determined to strike back at Chiang Kai-shek. Both before and after the "April 12th" and "July 15th" counterrevolutionary incidents, as well as at both the fifth and sixth party congresses, she was firmly opposed to the errors of Chen Duxiu's rightist capitulationism toward the Kuomintang's rightist elements. During the anti-Japanese war, she continued her determined opposition to Wang Ming's "leftist" and rightist errors. All this fully demonstrates her allegiance to the basic principles of proletarianism.

During her several decades of revolutionary struggles, Comrade Cai Chang insisted on learning and researching on Marxism-Leninism and Mao Zedong Thought. She was extremely loyal to the party and to the revolutionary cause. Toward the elder revolutionaries such as Mao Zedong, Zhou Enlai, Liu Shaoqi, Zhu De and others, she harbored deep proletarian feelings. Over several decades, she offered her entire energy to the party. For this reason, she won high respect from the entire Chinese people and even people of the entire world. Just as Miss Ning Mo Wei Er Si [1337 6206 7279 1422 2448] wrote in her book "Recollections of the Westward Journey (Continued)": Cai Chang is "China's leading female communist member," "the most active female revolutionary," and a "superior female revolutionary."

II

From the time of the Northern Expedition to after the liberation of the whole country, Comrade Cai Chang devoted herself to the women's movement under the leadership of our party. In fact, she has persevered for over half a century in the struggle for the complete liberation of Chinese women and the development of the progressive women's movement of the world and has made enormous contributions thereto.

First, she has faithfully followed and carried out the party's line for the women's movement and firmly insisted on the direction of the women's movement of the proletariat. As early as in the Northern Expedition, Comrade Cai Chang led the Guangdong Provincial Federation for Women's Liberation to struggle against the women's organizations of the rightist elements of the Kuomintang. She clearly pointed out that the "liberation of women must join forces with the national revolution and with the liberation of the working class," and in this way put the women's movement on the right track. In her article "The Russian Revolution and Women," she introduced the experiences of the women's movement in Russia. She pointed out: "The laboring women's movement is part and parcel of the entire proletarian movement." The women's movement must be linked with the liberation cause of the proletariat to become a "new contingent" of the proletariat. Only in thoroughly overthrowing the exploitation system and establishing the proletariat's own political control and domination can we talk about a real women's movement. She sounded the call: "If the Chinese women want a thoroughgoing liberation, the only way is to unite themselves and actively take part in the revolutionary movement." It may be said that from the beginning, our party's women's movement, under the leadership of comrades such as Xiang Jingyu, Cai Chang, Deng Yingchao and others, has followed the correct track of the proletariat. During the anti-Japanese war, the women's work of the party was under the leadership of Wang Ming who called in vain slogans such as "economic independence," "freedom of marriage," "opposition to the fourfold oppression," and so forth, but failed to organize women to take part in actual production and in revolutionary struggle. In this way, the women's movement segregated itself from the populace, fell into formalism, and took the wrong direction. Endeavoring to rectify Wang Ming's errors, Comrade Mao Zedong issued the call to organize women to take part in production and to render aid to the front. In 1943, based on this spirit, Comrade Cai Chang drafted for the Central Committee a "resolution on the guideline for women's work in the various anti-Japanese base areas." Comrade Mao Zedong carefully edited each and every word of the draft resolution. This was subsequently known as the "1943 Resolution." The resolution pointed out that for women to take part in economic work constituted the "most suitable work for women" and the "central link in protecting women's own interests," and would be equivalent to the same "glorious task" as the warriors fighting on the front line. The resolution clearly pointed out that this should be the "new direction of women's work in the various anti-Japanese base areas." In addition, Comrade Cai Chang personally wrote an important article entitled "Greetings to the New Direction in Women's Work." The article propagandized and explained in detail the "1943 Resolution." She thus devoted her utmost efforts to the thoroughgoing adoption and execution of this resolution. After that, Wang Ming's erroneous guideline was discredited and the "1943 Resolution" has guided the women's movement of our country ever since. Comrade Cai Chang was truly a glorious standard-bearer of the women's movement in China.

Second, she organized and led the vast women's masses to participate in the revolution and production. During the period of the Northern Expedition, I worked beside her and saw with my own eyes how she led the work of the Women's Liberation Federation of Guangdong Province, how she organized the formation of the Guangzhou-Hong Kong Joint Association of Women Workers on Strike, and how she efficiently handled the convening of a large-scale Guangzhou-Hong Kong Congress of Women Workers. At her recommendation, and with the approval of Minister He Xiangning, the women workers on strike in these two localities successively organized factories to produce reed sandals, sewing plant and knitwear plants. Women were also mobilized to solicit contributions to help solve the financial difficulties of workers on strike. Thus valuable support was given to the Guangzhou-Hong Kong strike and the way was cleared for mobilization and preparation for the Northern Expedition. In the central revolutionary base areas, for the sake of mobilizing women to take part in production and to support the war, she took the lead in going out to the field and broke the feudal superstition that "women who dare plow the fields will be struck dead by a thunderbolt." She thus succeeded in organizing the womenfolk into a huge army of workers. During the anti-Japanese war and the war of liberation, under the party's leadership, the women's movement particularly prospered and grew, and much of this was due to Comrade Cai Chang's immortal contributions. At that time, it was found that in the liberated areas the vast masses of women were busily occupied in one or another of the following pursuits: Taking part in production to support the war; or going directly to the frontline to slaughter the enemy; or bidding farewell to husband or son who were joining the armed forces; or serving as stretcher bearers or nurses attending to the wounded; or, behind the enemy lines, engaging in guerrilla warfare, strengthening the defenses and clearing the fields and working together with the civilian armed forces to resist and break the enemy's "mopping-up" campaigns; or taking part in suppressing bandits, resisting unruly elements, engaging in land reform and staging struggles against reactionary landlords, and so on. After liberation, the women of our country continued to display the traditions of the war years. On the socialist revolutionary and construction fronts, their activities literally covered "half the sky." This, in effect, was indivisible from the efforts made by Comrade Cai Chang.

Third, she trained up many women cadres and promoted the development of nursery enterprises. In Comrade Cai Chang's understanding, the development of the women's movement in our country required the existence of a large force of women cadres who were both virtuous and talented. As early as in 1926 during the Northern Expedition, she already paid great attention to the training of women cadres. She took charge of the setting up of training schools for the women's movement. She trained a number of women cadres who were subsequently sent to various parts of the country and became the backbone force of the revolution. Wherever she went, she showed intimate concern for the interests of women and gave her support to struggles such as those against feudal oppression, fighting for freedom of marriage and claiming equality between the sexes. She actively encouraged women to leave their homes in order to take part in revolutionary work. She fervently helped them to acquire culture and learning and to raise their political consciousness and thus to create conditions for their participation in the revolution. Many cadres have subsequently become the party's leading cadres thanks to her concern and encouragement. Even today many comrades can be found who have benefited from her teaching and who would fondly point her out as the first teacher ever to guide them to take part in the revolution. In the actual revolutionary struggle, Comrade Cai Chang managed to summarize a set of experiences in cadre training. She said: We must systematically train up party and nonparty women cadres. Women cadres must be discovered and trained up amid struggle. While we must pay great attention to giving vital training to comrades from families of industrial workers or peasants, we should not confine ourselves to the theory of the unique importance of class origin. We must boldly select people who are "upright, good in labor, can unite the populace, and dare to struggle" and people who are both virtuous and capable. We must pay attention to training up women cadres who belong to the intelligentsia while, for those women cadres who already possess a known degree of intelligence and technology, we should guide them to do more intensive study and research so as to become specialists. As to the method of training, we can set up cadre schools, or short-term training classes, or let the elder or more experienced people teach the new. These experiences summarized by Comrade Cai Chang are still very valuable today. In May 1949, Comrade Cai Chang gave her vigorous support to the establishment of an All-China Training School for Women

Cadres. This school exists even now (although classes were interrupted for a brief period) and has trained up for the various localities a large number of women cadres. At the eighth party congress, she delivered a speech on "Actively Training and Promoting More and Better Women Cadres." In the speech, she specially dwelt on the importance of selecting, training and promoting women cadres and on the method of training these cadres.

Concurrently with actively training up women cadres, Comrade Cai Chang's attention was also directed at children's welfare. She was particularly concerned with the orphans of martyrs and took a special interest in fostering successors to the revolution. During the Yanan period, through Comrade Cai Chang's efforts, Yanan's first nursery school was established. It provided care and education to many of the martyrs' children and cadres' children. Following the martyrdom of Comrades Zhang Tailei, Guo Liang, Cai Hesen and Xiang Ying, she was extremely concerned with the well-being of their children and with their subsequent education and growth. When she was convalescing in Moscow, she paid frequent visits to the international nursery to see the Chinese children entrusted to its care. The children themselves were very fond of her and affectionately called her "Mother Cai." In addition, she set up nursery classes to train up cadres for children's welfare and devoted much effort to bringing up the revolution's younger generation.

Fourth, she committed herself to the international democratic women's movement, extended the influence of the Chinese revolution to the international front, and rendered aid to the struggle for liberation of the world's women workers. At the end of World War II, on 1 December 1945, the International Democratic Women's Union was established with the purpose of establishing everlasting peace and strengthening the friendship and unity of women all over the world. At the end of that year, the Women's Union of China's Liberated Areas became a member of the International Women's Union. In 1946, Comrade Cai Chang was elected a director of the International Democratic Women's Union and in the following year was elected vice president. In November 1948, when the Second International Women's Congress was convened in Budapest, Hungary, Comrade Cai Chang led a delegation of China's women representatives to take part in the congress. This writer happened to be a member of the delegation to Hungary. Comrade Cai Chang delivered a speech at the congress. She analytically explained the relationship between the proletarian revolution and women's liberation and systematically told the congress the state of development, role and experience of China's revolutionary women's movement. In great anger, she unveiled and condemned the atrocities of the American soldiers and the Kuomintang reactionaries in exploiting, oppressing and inhumanly trampling on the rights of womenfolk in the KMT-dominated areas. Her speech won deep sympathy and support for the Chinese women from the delegates in attendance. In the early period of the formation of the PRC, our country was entrusted by the International Democratic Women's Union to handle the preparatory measures for convening the Asian Women's Congress in Beijing. Comrade Cai Chang was head of the preparatory committee and took up the responsibility of preparing for the convention of the congress. In the course of such international intercourse, Comrade Cai Chang propagandized to the world China's revolution, in this way expanding the influence of the Chinese revolution, strengthening China's international status, and winning honor and glory for Chinese women. At the same time, the development of the international progressive women's movement was fostered.

III

The whole people and people of the entire country loved and respected Comrade Cai Chang because of her determined and firm party "character," elegant personal integrity and high moral character. Truly, she is a superior representative of the proletariat. Her many virtues constitute indeed a valuable spirit and wealth for eternally educating the millions of party members and people. Our Chinese women take great pride in having amidst them such an outstanding proletarian woman revolutionary.

Comrade Cai Chang has a deep faith in communism. Imbued with this faith, she has worked relentlessly for the revolution and never paused for a moment in the endeavor. Over several decades of struggle, she has from beginning to end demonstrated an unyielding, indomitable, resolute and determined revolutionary spirit. In her family alone, several members have already fallen victim to the reactionaries' ruthless slaughter, but she was never frightened. What she did was to bury the dead, take over their baton and flag and continue determinedly with the struggle. While engaging in underground work in the White-terror stricken cities like Shanghai, Guangzhou and Hong Kong, she was always in danger of being caught or killed but she was never mindful of her own safety. In the Long March, she scaled snowy mountain tops or crossed the grassland and all the time insisted on doing propaganda and promotion work and on toiling along with the populace. Sometimes when the comrades were fatigued, she would loudly sing the "Internationale" or the "Marseillaise" thus imparting faith and strength to the populace and fully demonstrating the steel-like aspirations of Communist Party members. In the 10 years of internal disorder, Comrade Li Fuchun suffered humiliations of various sorts and was branded as "going against the current," or being a "black ringleader." She herself was implicated. But even in such circumstances, she and Comrade Li Fuchun never forgot to study Marxism-Leninism-Mao Zedong Thought. They would talk about the party's history with other comrades to augment their faith in the party. Mao Zedong said: Comrade Cai Chang is an honest person. This gave her much encouragement.

In 1973, a tea party was held in the Great Hall of the People in celebration of the 8 March International Women's Festival. Comrade Zhou Enlai specially invited her to be present and warmly praised her in the course of the party. On her 80th birthday, Deng Xiaoping, Deng Yingchao, Kang Keqing, Zhuo Lin and other comrades went to her residence to offer their congratulations. Comrade Nie Rongzhen additionally brought her a gift, a Chinese potted landscape adorned with a miniature evergreen tree. All of them conveyed the party's warm feelings and concern, in the hope that she would live comfortably in her last years.

When Comrade Cai Chang was still young, she saw with her own eyes such scenes as communist intellectual elements like Mao Zedong, Cai Hesen and others, with only an umbrella and a pair of sandals but not a cent in their pocket going about everywhere, penetrating deep into the peasant villages to do investigation work and fraternizing with the workers and peasants. This deeply impressed on her that in revolution if you do not go deep among the masses and if you segregate yourself from the realities of China, then the revolution can hardly succeed. Since taking part in the revolution, she has taken such people as Mao Zedong, Cai Hesen and others as a model, gone deep into the worker and peasant masses and engaged in research and investigation work. In Guangzhou, at the time of the Northern Expedition, she frequently visited factories, rural villages and schools to do investigation and publicity work, encouraging the workers in the work. When doing underground work in Shanghai, she went deep among the worker masses. As a result, the attempts of the reactionaries to arrest her were foiled more than once. In the central revolutionary bases, she was entirely one of the masses. She would labor like the masses and intimately coached them in culture and learning. She penetrated deep into the families of the masses to learn the real situation and to do ideological work. In 1941 when she took up the post of acting secretary of the Central Women's Committee, she at once dispatched investigation and research teams to the counties and municipalities in the Shaan-Gan-Ning [Shaanxi-Gansu-Ningxia] border area. Comrade Mao Zedong's article "On Investigation in Rural Villages," was based on talks with the investigation teams at that time. This was Comrade Cai Chang's way of insisting on penetrating deep into a subject and learning the facts from all sides and then proceeding to shape the guideline for work in accordance with the actual conditions. This completely rectified Wang Ming's vulgar work style of formalism, objectivism, and doctrinairism. In 1942 a special issue of the Yanan JIEFANG RIBAO carried a reprint of Mao Zedong's caligraphy which urged "going deep among the masses and avoiding empty talk." These Chinese characters represented warm coaching to the women's work under the leadership of Comrade Cai Chang. They vividly described just what she was doing.

Comrade Cai Chang is a friendly and amiable person. Before her comrades and her subordinates she is untiring in her persuasion and has the utmost patience in doing educational work. She stands on principle and makes rigid demands. At the same time, she is friendly and always endeavors to unite comrades together. In my recollection, she would always meet people with a smiling face. I never had any occasion to see her angry. She has the tender heart of an affectionate mother. She treats comrades sincerely, warmly and straightforwardly, and is always glad to help others. To brothers and sisters of other classes, she is full of affectionate sentiments. I remember that on one occasion in Guangzhou, a peasant girl by the name of Cheng Furu left her home to escape from a mercenary marriage. Comrade Cai Chang gave the girl refuge in her own home. She helped her to solve her living problems. Following patient educational work, this girl was finally converted to the path of revolution and eventually joined the Communist Party of China. In Yanan, many leading cadres lived near her cave. Whenever there was a family dispute, she was invited to mediate. Everybody treated her as an intimate acquaintance. Just because of her possession of such qualities, within our party she has won everybody's respect. The entire party all fervently called her "Big Sister Cai."

Comrade Cai lives strictly within her means and lives very frugally. This has always been her style, be it in war years or in peacetime. When doing underground work in Shanghai, she worked very hard every day. Besides, she suffered then from a stomach ailment and occasional headaches. She did not have the heart to spend her money and preferred to economize on food and clothing. She put aside Comrade Fuchun's meager salary and eventually contributed the money to the party's coffers to serve as party expenses.

After liberation, she and Comrade Fuchun continued to live frugally. Even now she wears clothes from the 1950's. The savings from her and Comrade Fuchun's salaries were not accumulated or reserved for their children on their younger generation. Rather, the whole of the savings was contributed to the party. Following the death of Comrade Fuchun, she contributed a sum of 100,000 yuan under her name and Comrade Fuchun's name to the party as "party fees." In fact, several years earlier, she had already contributed 30,000 yuan for the same purpose. She has always felt that the party had given her much but she had contributed little in return and that therefore she must devote her entire efforts to the service of socialist construction.

Comrade Cai Chang has never been proud or arrogant. Rather, she has always been modest and cautious. She herself is a superior woman revolutionary while her brother Cai Hesen, sister-in-law Xiang Jingyu and her husband Li Fuchun were all noted leaders in the party. However, she has never publicized herself or her family members. On one occasion, a correspondent of ZHONGGUO FUNU [CHINESE WOMEN] magazine visited her and asked for information about her past history and family background. She courteously rejected the request. In her estimation, revolution is the people's undertaking. We should propagandize the party and the people and should not heap the achievements on any one individual's account. This is indeed a lofty virtue of a Communist Party member. Although for a long time she has occupied a leadership position in the party and in the government, she and Comrade Fuchun never once utilized their power and position for private gain. Nor did they allow their relatives, friends or children to do so. She has always maintained the "color" or lifestyle of a public servant of the people. She has a strict organizational concept, has always spontaneously taken part in organizational life, paid the party fees on due time, and rigidly observed the party's security protection system and various kinds of disciplinary codes. What she wants for her children is especially stern and demanding. She sent her only daughter to study agricultural technology in the Soviet Union so as to devote her life to the reorganization of China's backward agriculture. One of her grandchildren was staying with her, but she made him take his meals in the public canteen for staff and workers. She also made him take part in the labor and in production. She always taught him to learn from the workers and peasants and to make friends with the latter's children.

In recent years, she wholeheartedly responded to the party's call to abolish the lifelong tenure system for leadership cadres. She wrote on various occasions to the party and the state to offer her resignation from her party and government posts, in order to better train up her successors. In 1978, she relinquished the post of president of the All-China Women's Union. In September 1980, she was no longer the vice chairwoman of the National People's Congress. This year, she no longer took part in the party's 12th national congress and resigned from all her party posts. Her action fully demonstrated an old Communist Party member's breadth of vision and earned her even greater respect from the whole party and whole people.

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THE 3D PLENARY SESSION OF THE 11TH CPC CENTRAL COMMITTEE CREATES A NEW PATH FOR AGRICULTURAL DEVELOPMENT IN OUR COUNTRY

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[Article by Zhan Wu [6124 2970] and Liu Wenpu [0491 2429 3877]]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, a profound change has taken place in the features of the countryside and an excellent situation of unprecedented vitality has appeared. This is manifested by an all-round development in agriculture, forestry, animal husbandry, sideline production and fishery, and a big and extensive increase in production. Between 1979 and 1981, the average annual growth of 5.6 percent in gross agricultural output value surpassed the average annual growth rate of 4.4 percent between 1950 and 1981. There was a pronounced improvement in the living standard of the peasants. The net income of peasant households showed an unprecedented average growth rate of 18 percent between 1979 and 1981. The proportion of affluent production brigades with an average per capita income of more than 150 yuan from collective distribution rose from 3.8 percent in 1978 to 15.6 percent in 1981. A large number of communes and production brigades began to shake off the condition of economic backwardness, straitened circumstances and lack of initiative among commune members, and the number of poor counties with an average per capita income of less than 50 yuan from collective distribution dropped from 381 in 1978 to 211 in 1981.

The main reason why the rural economic situation has been able to quickly take a turn for the better is because, since the 3d Plenary Session of the 11th CPC Central Committee, we have more thoroughly corrected the long-standing "leftist" mistakes in agriculture and adopted a series of important policies and measures such as raising the prices of some agricultural sideline products, reducing or exempting taxes by taking circumstances into consideration, improving credit and agricultural sideline products purchasing work, encouraging and backing the commune members to make a success of their private plots and family sideline production, restoring country fair trade, popularizing various forms of responsibility system, respecting the ownership rights and decisionmaking power of the collective economy, suiting measures to local conditions and supporting the collectives and individuals to develop a diversified economy. This has enabled the agricultural economy to embark on a new path in keeping with the conditions in our country within a few short years.

The Important Thing Is To Arouse the Enthusiasm of the Peasants

The "Decision of the CPC Central Committee on Certain Questions Concerning the Acceleration of Agricultural Development" adopted by the 4th Plenary Session of the 11th CPC Central Committee pointed out: "The first point of departure in affirming agricultural policy and rural economic policy is to give full play to the superiority of the socialist system and to the enthusiasm of the 800 million peasants in our country. We must ideologically strengthen socialist education over the peasants, and at the same time, economically show full concern for their material interests and politically safeguard their democratic rights. Divorced from given material interests and political rights, the enthusiasm of any class cannot spontaneously emerge." This has grasped the crux of our agricultural problem. In the 20 or more years since cooperativization, we have wasted a great deal of energy on rural work. However, prior to the 3d Plenary Session of the 11th CPC Central Committee, about one-third of the production teams still had an average per capita income of less than 60 yuan and lived in the straitened circumstances of "relying on resold grain for food, relying on loans for production and relying on relief for existence." Although the grain output of some of the economic units of advanced collectives rose, the economic effect was not ideal. That was because they did not grasp this crux of solving the material interests and political rights of the peasants and did not touch on the basic defects in the agricultural policy and the management system. They suppressed the enthusiasm of the masses and caused agricultural economic development to lack any kind of intrinsic motivation. These defects were mainly manifested in:

First, one-sided emphasis was given to the development of heavy industry, and the economic interests of the peasants were ignored and infringed upon. High indexes, high purchasing quotas, blind commands and inappropriate restrictions on the peasants to prevent them from developing avenues for making money resulted in the fact that production could not be properly developed and the livelihood of the peasants could not be properly improved in many areas.

Second, the peasants lacked decisionmaking power. Many production policies did not come from the peasants themselves but from the upper levels. The policymakers were also far away from the scene of production and did not have to assume any responsibility for mistakes in commanding production. This was the basic reason for blind commands. Blind commands inflicted a heavy economic burden on the peasants.

Third, egalitarianism was practiced in the internal distribution of the collective economy, everybody ate out of a "big pot" and the economic interests of the individual were not linked with the fruits of labor. The peasants had no economic incentive, consequently their production initiative and labor enthusiasm were dampened.

In the light of the above defects, the agricultural policy decisions since the 3d Plenary Session of the 11th CPC Central Committee have used carrying out the production responsibility system as the turning point supplemented by various comprehensive countermeasures to firmly grasp this basic problem of arousing the enthusiasm of the peasants. Therefore we have been able to sweep away the depressing atmosphere in the countryside within a few short years and witness the appearance of a dynamic and vigorous situation.

From the tortuous path of development taken by our collective economy, we can obtain the following revelations:

First, in socialist construction, we must adopt an extremely cautious attitude in coordinating the economic interests of the state and the peasants. The state must accumulate funds and carry out industrialization, and the peasants should make contributions. At the same time, we must carry out work in accordance with the capability of the peasants and must not try to achieve high rates of industrial growth at the expense of the peasants' rightful economic interests. Otherwise, we will dampen their enthusiasm and damage agriculture, and in the end, the whole national economy will also suffer. One of the important policy decisions made after the 3d Plenary Session of the 11th CPC Central Committee was to readjust the proportion between agriculture, light industry and heavy industry and provide enormous material benefits to the peasants by raising the purchasing prices for agricultural sideline products and reducing taxes. This has played a very important role in arousing the enthusiasm of the peasants. Naturally, the material benefits given by the state to the peasants cannot exceed the extent the state can afford. If this extent is exceeded, the balance of financial revenue and expenditure as well as price stability will also be affected. This would be disadvantageous to the state, and ultimately, to the peasants.

Second, rural economic policy must be based on showing concern for the material interests of individual peasants and correctly handle the economic interests of the state, the collective and the individual peasant. The reason why the production responsibility system can produce such obvious results is because it has closely integrated the personal interests of the peasant with those of the state and the collective. Because of this, the peasants will profoundly feel that they are the masters of the collective economy and will wholeheartedly throw themselves into socialist construction.

Third, respect the decisionmaking power of the peasants. The "Decision of the CPC Central Committee on Certain Questions Concerning the Acceleration of Agricultural Development" stipulated: "Under the premise of upholding the socialist orientation, implementing the policies, laws and decrees of the state and accepting the planned guidance of the state, all basic accounting units of the people's communes have the right to carry out planting in line with local conditions, the right to determine measures for increasing production, the right to determine methods of management and administration, the right to distribute their own products and cash and the right to resist the blind commands of any leading organ or member." This has played a very good role in arousing the enthusiasm of the peasants. The production contracts signed between the peasants and the production teams and the supply and marketing contracts signed between the peasants and the state commercial departments which appeared everywhere have more clearly defined the rights, responsibilities and interests of the peasant, the collective and the state. They not only safeguard the decisionmaking power and rightful interests of the peasants, but also safeguard the implementation of the plans of the state and the collective.

Rural Economic Development Must Take a Chinese-Style Path of Modernization

Since the 3d Plenary Session of the 11th CPC Central Committee, leading comrades of the Central Committee have successively proposed that our agricultural development must take a Chinese-style path of modernization. This includes transforming agriculture from solely grasping grain to all-round development and from purely carrying out farmland water conservancy construction to properly grasping the planting of trees and afforestation and improving the plant cover at the same time. Our policy is, we absolutely cannot slacken up on grain production and the active development of a diversified economy. Our agriculture must take the path of garden-style cultivation and horticulturalization [zou yuan lin hua yuan yi hua de dao lu 6382 0954 2651 0553 0954 5669 0553 4104 6670 6424], the path of all-round development of agriculture, forestry, animal husbandry, sideline production and fishery and the path of comprehensive operation of agriculture, industry, commerce and transportation. After several years of practice under the guidance of these guiding principles, we have initially developed a path for agricultural development that is in keeping with our national conditions and tangible results have already been achieved.

What are the distinguishing features of the so-called Chinese-style path of agricultural modernization, and what is its objective inevitability?

1. In the utilization of cultivated land, it is necessary to carry out garden-style cultivation and horticulturalization. China has a huge population and little land, and the population will continue to grow in the future. Therefore, our policy can only be to keep on raising the utilization rate of the land and take the path of intensive operations, garden-style cultivation and horticulturalization.

In the process of readjusting the production structure and developing diversified economy, the most conspicuous contradiction is the struggle between grain and cash crops for land. This is mainly because the degree of intensive management of agricultural production in our country is not high and extensive management has been carried out on a very large part of the cultivated land. To solve this contradiction, we can only find a way out from garden-style cultivation and horticulturalization. Regardless of whether in grain or in cash crops, we must keep on raising the level of intensive cultivation and greatly increase the yield per unit area. Here, we must also properly handle the question of long-term and immediate relations. Taking the long-term view, we must continue to readjust the production structure of agriculture. A considerable part of the cultivated land will gradually shift to various areas of the diversified economy in order to greatly increase the ratio of diversified income in agricultural income.

Otherwise, it will be difficult to quickly develop the rural economy and also difficult to more speedily bring general affluence to the peasants. However, readjusting the production structure is, in the final analysis, conditioned by the level of productive forces and the level of the supply of commodities and grain in particular. Under the present condition of the level of our agricultural productive forces being very low and the grain problem still rather tense, the steps of readjusting the production structure cannot be too quick. Under the condition that there is no evident improvement in unit grain yield, the area of grain field should be stabilized at a certain level and can no longer be reduced. All areas suitable for the planting of grain must develop grain crops. Areas which are not only suitable for the planting of grain but are also suitable for the development of cash crops should give priority to the planting of grain. A small number of sandy land, alkaline land and sloped land areas not suitable for the planting of grain but suitable for the development of cash crops or forestry and livestock production naturally must not have grain planted on it. The extent of readjusting the production structure must be determined in accordance with the margin of increase in the unit yield of grain and cash crops. An important aspect at present is to transform the medium- and low-yield fields which accounted for two-thirds of the existing cultivated land in our country. If effective measures can be taken to raise the unit yield of this portion of cultivated land, the contradiction in the struggle between grain and cash crops for land can be greatly mitigated.

2. Rural economy must implement the all-round development of agriculture, forestry, animal husbandry, sideline production and fishery as well as the comprehensive management of agriculture, industry, commerce and transportation. For a long time, one of the serious defects in the development of agriculture was focusing attention only on the 1 billion and more mu of cultivated land and neglecting the use of the vast mountain areas, grasslands and water areas. Since the 3d Plenary Session of the 11th CPC Central Committee, we have broadened our field of vision. We understand that people can make use of the abundant resources of these places to produce ligneous oil, ligneous grain, dry and fresh fruit products, aquatic products and livestock products. All of these are excellent foods. They not only can satisfy the various livelihood needs of the people but can also reduce the pressure on grain. We understand that grain production is the basis for the development of forestry, animal husbandry, sideline production, fishery and diversified economy, that forestry also provides excellent ecological environment for the development of agriculture and animal husbandry, and that forestry, animal husbandry, sideline production, fishery and diversified economy supply fertilizer and funds to the planting industry. As a result of the implementation, an excellent situation has appeared of the all-round development of agriculture, forestry, animal husbandry, sideline production and fishery promoting each other.

China has a population of 1 billion people, of which 800 million live in the countryside. China has a labor force of 400 million people, of which 300 million are engaged in agriculture. Since 1957, our agricultural labor force has increased by about 50 percent and our agricultural machines and power for agricultural use have increased 10 times, scores of times and even hundreds of times, but the cultivated land worked by the agricultural labor force has been reduced by half and there is a great surplus of agricultural labor. Since the institution of the production responsibility system, this problem has become even more pronounced. Where can we assign this surplus agricultural labor? Our national economy is backward, and the ability of urban industries, commerce and service trades to absorb surplus rural labor is limited. Moreover, the increase of the population in cities and towns is also conditioned by the situation of commodities and grain supply, and there will be no basic change in this situation for a relatively long time to come. Therefore, we must keep most of the surplus agricultural labor in the countryside and find a place for them there. This is advantageous to the all-round development of agriculture, forestry, animal husbandry, sideline production and fishery. At the same time, we must develop rural industries, commerce, transportation and service trades in a planned manner, promote the development of rural towns, bring about the development of rural culture, education, social welfare and public undertakings and progressively diminish the gap between towns and villages.

3. Agricultural production must develop along the direction of making concentrated use of labor and knowledge. We must give play to this superiority held by the rich agricultural labor resources of our country. Automation and mechanization of agriculture can only be selectively carried out in key points, and we cannot blindly run after wholesale mechanization and automation under existing conditions in China. For the sake of satisfying the constantly growing material and cultural needs of our society, we must not only pay attention to improving labor productivity, but we must also pay attention to improving the productivity of the land. To do so, merely relying on increasing capital and means of production is not enough. We must raise the level of intensive cultivation and put in more work and know-how. Our agriculture has a fine and longstanding tradition of intensive cultivation. We must continue to give play to this distinguishing feature and integrate it with modern science and technology. For this reason, we must attach great importance to the promotion of rural intellectual development. Without a large number of peasants with a good grasp of science and technology, there will not be a Chinese-type modernization in agriculture. Rural intellectual development must begin with an improving rural education, the setting up and perfecting of a sparetime cultural and technical education system and a setup for popularizing rural technology to the peasants is a path for raising the technical level of rural areas that requires little investment and produces faster and better results.

Under the Premise of Public Ownership of the Means of Production, Management of Collective Economy Must Be Flexible and Diversified

For a long time, people have developed this kind of understanding: After the cooperative transformation of agriculture, collective management, centralized labor and unified distribution should be practiced. This traditional concept has been smashed by the practice of the peasant masses since the 3d Plenary Session of the 11th CPC Central Committee.

At present, the two forms of the responsibility system practiced by most of the communes and production brigades are "production contracted to each household" and "responsibility for the task assigned to each household." Some changes have taken place in the unified management and unified distribution system of the production teams, and what they practice is decentralized management with the family as a unit, or the collective economy has adopted the form of household management. This reform in management reflects a change in rural relations of production. It cannot be denied that various districts have a number of well-run production teams. Their economic level, management level and the income level of their commune members are higher. They have accumulated more public property and a very great change has taken place in the features of their production and livelihood. This kind of production team can, and also should, continue to practice the form of unified management and unified distribution with the production team as a basis. However, such production teams are actually very few in number. As for the communes and production brigades in many districts, household management has become the principal management form of the collective economy.

Why is it that socialist collective agriculture can adopt the form of household management, and will not this form of household management change the socialist character of the collective economy? Outwardly, the form of household management adopted by the collective economy at present bears a certain resemblance to the individual economy. However, the character of a mode of production should not be judged on the basis of its form. We should go beyond the form to analyze its internal economic relations. The distinguishing features of management by separate household are: 1) It is carried out on publicly owned land. The ownership by the collective over the land is protected by law and the land cannot be leased or sold. There are also stipulations regarding the use of the land, and if necessary, it can be readjusted or taken back. Therefore the economic position of the contracting peasant households is entirely different from that of individual peasants. They have no means to freely amass land, and polarization is also inevitably restricted. 2) As the contract-awarding unit, the collective economy can supervise and direct the activities of peasant household management in accordance with the terms of the contract. It also possesses essential material means such as large and medium-size farm machines and implements as well as water conservancy facilities able to influence the production of the subcontracting households and bring them into line with the plans of the state and the collective. 3) In addition to administrative methods, the state also has at its disposal to orient production all essential economic means, including large-scale industries, commerce, credit, subsidies and taxation. These conditions will shift decentralized household management from the socialist course and place it in the service of socialist interests. Therefore, it is an integral part of the collective economic structure of socialist agriculture and a form embodying the socialist mode of production.

For a new mode of production to adopt the shell of the old mode of production at the initial period of its establishment, because productive forces are not strong enough, is not a unique phenomenon in history. At the initial period of its establishment, the capitalist mode of production had extensively adopted the form of household industries, and judging from the appearance in connection with such characteristics as the employment of household labor, the use of the home as a factory and the independent household management, there was almost no distinction between these household industries and the former household handicraft industries of capitalism. However, because they had established contract relations with large capitalist factories, Marx correctly pointed out that with the exception of a similarity in name these household industries were completely different in essence from the household industries of the past. They were the external sections of capitalist factories and their workers also increasingly became wage workers. For the same reason, separate household management under the publicly owned economy is only using the form of the small peasant economy, but its essence has basically been changed.

However, we should see that household management also has its limitations. Most have not broken away from the state of natural economy, and management items are small and complete. This situation is in contradiction to the demand for the further development of production. This is most sharply manifested in: It is detrimental to the specialization of production techniques, and people with specialized technique also cannot easily bring their skill into full play. Contracting everybody to work in large fields is detrimental to changing the state of the unitary production structure. Separate management has made it difficult to centralize for production the surplus funds and labor scattered around the countryside. It affects the rational utilization of large and medium-size agricultural machines and water conservancy facilities as well as the popularization of advanced science and technology. Moreover, it can also be easily divorced from the plans of the state and the collective. It is detrimental to developing the commodity economy and raising the marketability of commodities. Therefore, our socialist agriculture must certainly develop along the direction of specialization and socialization. Such household management on the basis of public ownership will also gradually head toward specialization and socialization along the three paths listed below.

1. Specialization of contract management and household sideline production. The specialized households and key households that have emerged everywhere at present are an embryonic form of specialization and socialization. They are a transitional form of development from natural economy to modernized agriculture. In terms of the whole country, their number is still very small. As they require little investment but produce better economic results and more commodities with high marketability, they have already shown great vitality. They have a common tendency, which is that they have gradually broken away from the small and complete natural economy. They have first of all separated the planting industry from the livestock and poultry-raising industry. Since then, specialized division of labor has also appeared within the planting industry and the livestock and poultry-raising industry and they have also set up all kinds of socialized technical service companies and organizations.

2. Strengthen the ties and joint operations of the socialist-owned economy. After carrying out separate household management, some of the better-run production teams have, on the principle of unifying what should be unified and separating what should be separated, strengthened unified control and use of large and medium-size agricultural machines and water conservancy facilities, and some of the sideline industries not suitable for decentralized management have been placed under the unified management of production teams or production brigades. Based on the demands of the state plan and the needs of the collective economy, they have worked out a unified production plan and have also properly organized contract work to guarantee their implementation. They have drawn necessary funds, including accumulated funds, from the reserves kept by the collective to give play to the material base of unified management and expanded production. In this way, they have strengthened the economic ties and leadership to the collective economy over various peasant households, with notable results. Along with the raising of the degree of specialization and socialization of various peasant households (especially specialized households and key households), the ties between the management activities of the peasant households and the commercial, transportation, agricultural product processing and technical service departments of the state and the collective have steadily strengthened, and some of them have also set up joint operations with the above-mentioned organizations. The higher the degree of specialization and socialization, the greater the reliance of the management activities of peasant households on the socialist publicly owned economy and specialized service departments and the more they are conditioned by socialist planned economy.

3. Organization of new economic cooperation and alliances. In areas carrying out the "production contracted to each household" and "responsibility for the task assigned to each household" systems, economic cooperation and alliance between the contracting households have experienced varying degrees of development in recent years. On the whole, they can be divided into: 1) Temporary production cooperation. The distinguishing features are: voluntary production cooperation, with separation and integration or alliance but no integration of a seasonal nature, for the sake of solving the contradiction between the dissemination of advanced technology over a large area and decentralized management. The nature of labor cooperation among the peasant households takes such forms as labor exchange, mutual help and joint soaking and raising of seedlings. Some have used their hardcore technical forces to contract with peasant households for certain technical and production tasks, such as the prevention and control of plant diseases and elimination of pests. Certain peasant households have set up unified planning and technical service organizations. 2) Establishment of an independent economic alliance. Generally speaking, this is led and organized by people who have a good grasp of technology with those taking part putting in investment and buying a share. Some have mainly taken advantage of their natural resources, some have joined forces to raise money for running sideline production.

There are still many problems facing agriculture, and we cannot treat them lightly or be unrealistically optimistic. However, the course has been charted and the way clearly pointed out. It has only been a short time since the implementation of the policies affirmed by the 3d Plenary Session of the 11th CPC Central Committee, but the changes taking place in the countryside have already manifested the powerful vitality of these policies. We are positive that they will continue to promote the development of our agricultural and rural situation in a favorable direction.

CSO: 4004/2

A MAJOR PROBLEM IN IMPLEMENTING THE POLICY TOWARD INTELLECTUALS

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[Article by RED FLAG commentator]

[Text] Earnest and overall implementation of the party's policy toward intellectuals, in particular toward middle-aged intellectuals, is an important question affecting the overall situation in the socialist modernization of our country.

Since the smashing of the "gang of four," especially since the 3d Plenary Session of the 11th CPC Central Committee, the party Central Committee has attached great importance to the question of intellectuals. It has done much theoretical work in straightening things out in this respect and has adopted a series of measures to implement the policy toward intellectuals. For example: Those who were unjustly, falsely and wrongly charged before and during the "Great Cultural Revolution" have basically been redressed and most of them have been offered appropriate posts; a large number of old intellectuals have been restored to leading posts and a large number of outstanding middle-aged and young intellectuals have been elected to leading groups at various levels to strengthen them; a large number of outstanding intellectuals have been admitted into the party; assistants have been assigned to some old specialists; the situation that some intellectuals cannot make use of what they have learned or cannot make use of their strong points has been changed as a result of the readjustments made, and the question of ensuring intellectuals to use what they learn is being gradually resolved; in many departments and units, many cadres engaged in professional work have been examined and given higher technical titles; the problems of couples living separately in different localities or couples without a child living with them to take care of them have been solved for many people; and the work and living conditions of intellectuals have been preliminarily improved. These measures show that the party and the people are concerned with intellectuals and have aroused their enthusiasm in dedicating themselves to socialist modernization. However, for various reasons, many problems remain unsolved in implementing the policy toward intellectuals. Therefore, it is imperative to earnestly check the work in implementing the policy toward intellectuals in accordance with the party Central Committee's instructions.

At present, the results of checking the work in implementing the policy toward the intellectuals throughout the country show that, comparatively speaking, the work in implementing the policy toward old intellectuals is better; whereas the work in implementing the policy toward middle-aged intellectuals, that is, raising their political status, giving full play to their role and improving their work and living conditions, is not yet satisfactory. However, implementing the policy toward the middle-aged intellectuals is the key to implementing the policy toward all intellectuals. This question has already drawn the attention of the whole party, the people of the whole country and the people in all walks of life.

The middle-aged intellectuals are basically those who were directly nurtured by the party and matured after the founding of new China. Most of them suffered from hardships inflicted on the nation and the classes to which they belong and their world outlook was fostered in the early 1950's-1960's when our party's work style and the general mood of the society were the very best ever. Therefore, their political consciousness is relatively high and they have a deep love for the party. They have unswerving faith in socialism, great enthusiasm toward the revolutionary cause and the spirit of dedicating themselves to it. Although many comrades among them have been unjustly treated or have suffered hardships in some political movements, in particular during the "Great Cultural Revolution," they have all along loved the party and socialism and have great faith in the victory, destiny and future of our party and motherland. Moreover, the intellectuals of this generation have received relatively more systematic education and training in specialized fields and their knowledge of science and culture is relatively better. Even during the adverse conditions during the 10 years of internal disorder, many comrades continued to diligently study and closely followed the development of modern science and technology. Therefore, although changes occur every day in all fields of knowledge at present, they are still able to keep pace with new situations, acquire new knowledge and make new achievements in science and technology. All this shows that the various fine qualities and special skills of our country's intellectuals can be collectively found in the middle-aged intellectuals. They are a very valuable treasure of the party and the people.

Intellectuals of the older generation in our country have made important contributions to socialist modernization in various fields and they have been highly commended by the party and the people. At present, most of them are over or well over 60 years old. Although they have lofty aspirations and are still working their hearts out for the socialist cause, they find their ability unequal to their ambition. There are quite a few young and capable intellectuals but they are still growing to maturity and they still have to make further improvements and advanced studies in politics and their work. Under these circumstances, the position and role of the middle-aged intellectuals, who are in the prime of their lives and constitute the main body of our country's intellectuals, have become very prominent. For example, of the 179 scientific and technological workers who were prize-winners 96 times in scientific research achievements of the first and second grades in the Beijing area of the Chinese Academy of Sciences in 1978-79, 158 are 36-50 years old, accounting for 88 percent of the total. Again, of the 100 scientific research items in the Jiangsu Agricultural Research Institute, 71 are in charge of middle-aged scientific and technological workers. The situation on the education front is more or less the same. The middle-aged teachers of the ship dynamics department of the Shanghai Jiaotong University account for 65 percent of the teachers of the whole department; of the 50 courses offered in this department in one year, 48 are taught by middle-aged teachers, accounting for 96 percent; of the 6 major items of scientific research achievements made by this department and awarded by Shanghai municipality or the state, 5 were organized and directed by middle-aged teachers. These facts clearly show that the middle-aged intellectuals are the mainstays and backbones of the entire ranks of intellectuals. They are shouldering the historical mission of inheriting the past and ushering in the future in making our country's science, education and culture prosper. Whether or not we can give play to their role involves the inheritance and development of our country's science, education and culture, the orientation and level of development of material civilization and socialist spiritual civilization and the success or failure of our country's socialist modernization.

It is not enough just to understand the position and role of the middle-aged intellectuals in our country's socialist modernization. We must also understand their initiative toward this undertaking. The line, principles and policies formulated by the party Central Committee since the 3d Plenary Session of the 11th CPC Central Committee have further aroused their tremendous enthusiasm. They are proud of the historical mission they have shouldered. This is the spiritual motive force that makes them work selflessly in their posts on the scientific, technological, educational, cultural and other fronts, and attain tremendous achievements. We must be fully aware of the latent initiative and creativeness of the middle-aged intellectuals. We are not telling the truth if we say that the mental state of the middle-aged intellectuals is gloomy and pessimistic. The broad masses of middle-aged intellectuals will not agree to this either.

The selfless spirit of the broad masses of middle-aged intellectuals dedicating themselves to the struggle for the cause of socialism is worth respecting and commending. Besides, the party and the state are fully aware of their difficulties. In order to give full play to their initiative and creativeness, we must provide favorable conditions for them so that they will be able to concentrate and energetically display their talents in the socialist modernization drive. At present, the party Central Committee regards solving problems for the middle-aged intellectuals as the main task in implementing the policy toward intellectuals. This is an important decision with far-reaching significance. The implementation of this decision will undoubtedly speed up the progress of our country's socialist modernization. We must consciously and resolutely implement this decision of the party Central Committee and must never adopt a passive attitude in this respect.

In implementing the policy toward the middle-aged intellectuals, we must give full play to their special skills so that they can make the best use of what they have learned. What distresses many middle-aged intellectuals most is that they cannot rationally use their knowledge in specialized fields which they acquired during the years when they were educated by the party. This is the most urgent demand of the middle-aged intellectuals at present. Party committees at all levels must pay great attention to this problem and earnestly solve it. We must truly understand them, trust them and provide conditions for them to display their wisdom and talents. We must elect outstanding middle-aged intellectuals with moral integrity, capability and ability to do organizational work in leading posts at various levels and see that their authority commensurates with their posts and duties. This is also an urgent task in making the cadres in leading groups become more revolutionary, younger in average age, better educated and more professionally competent. We must admit into the party in good time, just as we treat advanced elements among the workers and peasants who want to be admitted into the party, all advanced elements among the middle-aged intellectuals who have satisfied the requirements for becoming a party member and must not discriminate against them or treat them with prejudice. In addition, in accordance with the situation of uneven distribution and actual needs of professional people in various departments and localities, we should encourage a rational directional flow of these people and establish rational management systems for the distribution, use, examination, flow and advanced studies of these people. The fundamental question in arousing the enthusiasm of the middle-aged intellectuals at present is to use them rationally and appropriately. If we do a good job in this respect, their ideals and enthusiasm for participating in socialist modernization will find sustenance and there will be a basis for solving other problems for them.

An important question which is closely linked with the questions of having full faith in them and letting them have a free hand in their work is that we must be determined to gradually improve the work and living conditions of the middle-aged intellectuals. We must resolve actual difficulties in their work and daily life and provide necessary material guarantee in order to give full play to their role. For example, we must gradually increase their wages, improve their housing conditions, reduce their household chores, give them necessary books, material, apparatus and equipment for their work and so on. All this is very necessary to protect their energy and health and to raise their efficiency. If we have not done a good job in this respect, we cannot say that we have truly implemented the policy toward intellectuals.

In order to earnestly implement the party's policy toward intellectuals, in particular toward middle-aged intellectuals, we must also solve some ideological problems. First, we must make clear that improving the working and living conditions of the middle-aged intellectuals and giving full play to their role are in keeping with the interests of the broad masses of the people. In deciding to solve the problems of the middle-aged intellectuals, the party Central Committee proceeded from the interests of the working class, the people and the nation. Whether or not we can build a highly developed material civilization and a highly developed socialist spiritual civilization and attain the goal of our 20-year struggle depends on the foundation we lay in the 1980's. If we can do a solid job in the coming

10 years, we will bring about bright prospects in endowing our economy with vitality in the future and will create conditions for a highly developed socialist spiritual civilization. In order to lay a good foundation in this respect, we should, of course, carry out structural reforms and make material preparations but the most important preparation is to train the necessary capable persons. The experience of many economically developed countries has proved that economic prosperity depends to a very great extent on science, technology and education and the training of capable persons. Without intellectuals, it will be impossible to develop our country's science and education or to speed up the development of our country's productive forces by means of science and technology. Without intellectuals, it will also be impossible to raise the scientific and cultural level of the whole nation or to make our next generation become new people with good education, lofty ideals, moral integrity and cultural knowledge and people who will observe discipline. We must, with the broad-mindedness and far-sightedness of the proletarian, carefully handle and earnestly resolve the important question of the intellectuals, which involves the overall situation. Otherwise, we are prone to be "short-sighted."

We should realize that many people are suffering from "short-sightedness." The longstanding "leftist" ideas of belittling science, culture and the intellectuals and the pernicious fallacies about the intellectuals spread by the "gang of four" are still affecting the minds of some comrades. Much effort is needed to eliminate this influence. Today, this influence is manifested in: 1) Ideologically and theoretically, some people have not yet truly realized that the great majority of the intellectuals are components of the working class who have mastered relatively more knowledge in science and culture. 2) Some people do not really understand that the further we go on with the modernization, the more we need the intellectuals. They even think that "without the intellectuals, production will be carried on and houses will be built just the same" and so on. It is high time this kind of prejudice and narrow-mindedness was gotten rid of. If we do not realize that the intellectuals are components of the working class, we will not adopt an equal and comradely attitude toward them. If we do not understand the role played by the intellectuals, we will not look squarely at their difficulties and demands. Our leaders at all levels must remain sober-minded and use Marxist views to theoretically clarify the position and role of science, technology, education and culture in the socialist modernization and the position and role of the intellectuals and educate the cadres and the masses in this respect. We must make everybody understand that in modern large-scale production, we cannot stick to the old ways or be complacent and conservative. Without the prosperity of science, technology, education and culture, we will lag behind and be vulnerable to attack. Stalin said that theoretical mistakes never brought benefit, nor would they ever bring us any. It is not easy to eliminate the influence of the "leftist" ideas if we do not theoretically and thoroughly clarify all questions of concern; nor will it be possible to increase our consciousness and to reduce our blindness in implementing the policy for the intellectuals.

Second, we must overcome the idea of looking down upon mental labor. It is undoubtedly a correct attitude of historical materialism to criticize the erroneous idea of regarding "everything inferior to study," give an appropriate place to physical labor and respect physical laborers. However, we should not play down mental labor or show contempt for knowledge and the intellectuals. The separation between mental labor and physical labor is the product of social development at a certain stage. Its emergence was of progressive significance and promoted the development of science and culture. In a class society, this separation is based on class antagonism. In a socialist society, the nature of class antagonism between mental and physical labor no longer exists. However, protracted efforts are needed to eliminate the differences between them, and the elimination of these differences is precisely the important revolutionary task to be implemented during the whole historical period of socialism. Under the conditions of socialism, both mental workers and physical workers are laborers. They are only assigned different jobs and have no basic conflict of interests. The relationship between them is a comradely relationship of mutual cooperation among comrades. Only in a communist society will the differences between mental and physical labor finally disappear when these two kinds of labor merge together. The process of this merging is inevitably realized by increasing mental labor and reducing physical labor and not otherwise. Therefore, the idea of despising mental labor is entirely wrong.

Mental labor has its own characteristics. These characteristics are usually manifested in its creativeness, continuity and complexity. Creativeness means that it continuously makes new achievements for the spiritual life of human beings and for the transformation and regeneration in production and promotes the development of spiritual and material civilizations. Continuity means that mental labor is work which often takes longer time to complete and requires greater efforts before achievements can be made and which cannot be interrupted at will or even interfered with in any way. Complexity means that mental labor is to mainly probe into the inherent laws of things. It often comes across in new questions and therefore needs a rich accumulation of knowledge which continues to develop in depth through practice. Generally speaking, mental labor is complicated work which only people who have received special training can do. Marx said: Labor power which can do complicated labor "is trained at higher educational costs and for a longer period of time than ordinary labor power. Consequently, it has a higher value. Since this kind of labor force has a higher value, it is engaged in high-level labor and turns out more value within the same period of time." ("Complete Works of Marx and Engels," Vol 23, p 223) It is precisely because the labor of the intellectuals has the above characteristics, that their treatment, work conditions and living conditions should be suited to these characteristics. For example, since the value created by their labor is greater, they should have higher remuneration. We must change the irrational phenomenon of middle-aged intellectuals earning lower wages than skilled workers of the same age group so that the mental and physical energy consumed in the labor of the former can be duly compensated. We must pay attention to solving their housing problem and their problem of having to do heavy household chores so that they can have a quiet environment and an undisturbed mind, and so on. All these must be solved step by step in the course of implementing the policy toward the intellectuals.

Third, we must overcome the idea of egalitarianism. Egalitarianism reflects narrow-sightedness of petty producers and is the product of the handicraft industry and small-scale peasant economy. The old China was under the feudal system for a long period of time. There were countless petty producers and the influence of egalitarianism was great. The implementation of the principle of to each according to his work in a socialist society is a way to negate egalitarianism. However, due to the prolonged influence of "leftist" ideas, egalitarianist ideas often spread extensively. This was particularly so during the 10 years of internal disorder. Its manifestation in actual life is inappropriate control of distribution according to work, including inappropriately evening remuneration for mental and physical labor and for complicated labor and simple labor and making the remuneration for mental labor less than that for physical labor. Therefore, in implementing the policy toward the middle-aged intellectuals, we must oppose egalitarianism, foster a general social mood of respecting mental labor and treasuring capable persons and create good conditions for them in terms of public opinion and material benefits.

Of course, in improving the working and living conditions of the middle-aged intellectuals, we must do our work step by step according to the development of the country's economy, and it is impossible to solve all problems at one go. But there are things which can be done under the present situations without spending much money. We must do these things without delay or hesitation. Party committees at all levels must put the issue of solving problems of the middle-aged intellectuals on the list of important work of the day and administrative departments of various units must be sincerely concerned with the life of the intellectuals and try their best to help them overcome their difficulties. Besides, we must also stress that leading comrades at all levels must earnestly make friends with the intellectuals and must understand them and know their demands well. Many intellectuals eagerly hope that leading cadres will frequently go among them, be concerned with them, talk with them and listen to their views. If leading cadres act in this way, even if some problems in their work and life are not solved for the time being, the intellectuals will still be heartwarming. This is extremely helpful in implementing the policy toward the intellectuals and in giving play to the socialist enthusiasm of the broad masses of intellectuals.

That the party and the state show concern and attach importance to the middle-aged intellectuals shows that the party and the state trust them and place their hopes on them. It also means that the middle-aged intellectuals are shouldering heavy responsibilities. The broad masses of middle-aged intellectuals must be modest and prudent and learn modestly from the workers, peasants, intellectuals of the older generation, young comrades and more advanced comrades. Only if they continuously remold their own subjective world while transforming the objective world will they be able to shoulder the historical mission. We hope that the broad masses of intellectuals, in particular the middle-aged intellectuals, will further arouse themselves, continuously increase their capability in practice and together with the broad masses of people make even greater contributions to building our country into a modern powerful socialist country.

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CORRECTLY APPRAISE THE NEW GENERATION OF THE CHINESE WORKING CLASS

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[Article by Yu Yannan [2456 3601 0589]]

[Text] The replacement of old workers by young workers in Chinese working class has increased dramatically since the 1970's. From 1949 to 1969, the number of workers increased on average by more than 2 million annually while between 1970 and 1981, the number increased by an annual average of 4 million. The number of old workers who began their work prior to liberation and in the early days of the founding of new China has drastically decreased, while the proportion of young workers has grown bigger and bigger. According to close of 1981 statistics, the number of young workers under the age of 35 who began to work in 1966 was more than 60 million nationally, making up about 60 percent of all workers. The young workers have become the main body of the Chinese working class and this is an important fact. A very important question is that of how to appraise the more than 60 million young workers. There are different views among many comrades as to how to appraise this young generation of the Chinese working class. Through study and investigation, our basic view is that, taken as a whole, the general outlook and nature of the young workers are good and that their weak points and shortcomings can no doubt be overcome through education and help. They represent a hopeful new generation of the Chinese working class. This basic appraisal accords with objective reality and with the basic principle of the theory of dialectic materialism and the theory of historical materialism.

In order to correctly appraise the new generation of the Chinese working class, we must first of all understand the basic fact that the majority of these 60 million young workers are active in the front line of production and have become the main force and backbone of production in various trades. For example, the mechanical workers in the Shanghai No 7 Cotton Mill under the age of 35 make up more than 90 percent. The crew of the Guangzhou Ocean Shipping Company under the age of 35 make up 88 percent of the total. The statistics of the maintenance service section and workers' service section of the Zhengzhou Railway Subbureau and the Zhengzhou north railway station show that young workers under the age of 35 who are working in the front line of transportation make up 66 percent of the total. In the Daqing oilfield, of the 1,222 production team leaders, 68 percent began their work in 1966 or later. The proportion of young workers in the trades with a higher labor circulation rate (such as building construction) is still bigger. In short, extensive investigation shows that the new generation of the working class has historically begun to shoulder the heavy task of realizing the national modernization program and have begun, in particular, to shoulder the task of modernizing our industry. Since the 3d Plenary Session of the 11th CPC Central Committee, there have been tremendous achievements in economic and other construction, and in the various causes of the working class there have also been tremendous developments. If we consider that the basic condition of the young workers who make up 60 percent of the total workers in our country is one of disorder, it is obvious that this view runs counter to the logic of life.

In order to correctly appraise the new generation of the working class in our country, it is necessary to analyze in an overall way the basic features of the young workers and the reasons for the appearance of these features. The new generation of our working class differs very much from the older generation in such aspects as social experience, cultural level, class consciousness, mental outlook and mode of life, for the older generation was subject to political oppression and economic exploitation in the old society, was emancipated following the victory of the revolution and has made tremendous contributions to socialist construction. In effect, what are the features of the new generation of the Chinese working class, and how should we understand and treat these features? The following are our views, based on extensive reference from investigation.

1. Most of the new generation of workers are from urban workers' families, while their predecessors were mainly from bankrupt peasants' families. The majority of veteran workers who began to work before liberation are from poor peasant families or handicraft workers' families in rural areas. Most of the new workers who began to work soon after liberation also came from the rural areas. But the situation now is different. The majority of the new generation of workers are from cities. Statistics show that in 1957, there were 7 million new industrial workers, of whom about 30 percent were from worker families. Reference materials from recent investigations show that 80 percent of the new workers who have worked in factories since 1966 are from worker families (the proportion of new workers from peasant families who are working in such enterprises as coal mines and oilfields is bigger). Generally speaking, the young workers who are from worker families, including urban cadre and intellectual families, have grown up in a peaceful environment. They have spent happy childhoods and they have beautiful memories because their families, thanks to the party and socialist system, spent their days in happiness. They themselves experienced a good social atmosphere and received a regular education in their early days. Following the downfall of the "gang of four" and particularly since the convening of the 3d Plenary Session of the 11th CPC Central Committee, the political situation and living standards of these young workers and their families have, thanks to the implementation of the party's various policies, development of production and expansion of employment, improved considerably. Recent investigations show that the majority of young workers support the party's line, principles and policies. A number of typical investigations

show that most young workers have affection for the party and for socialism. But, because they did not experience the oppression and exploitation of the old society to compare the new society with the old one, generally speaking, their feelings are therefore not as strong and profound as those of their predecessors. These young workers are also less conscious than their predecessors regarding a sense of responsibility as the masters of their own state, in overcoming hardships and in abiding by organizational discipline.

2. The cultural level of the young workers is higher than that of the old workers. Following the liberation and particularly since the mid-1960's, junior secondary school education has been popularized in the cities, while since the 1970's, senior secondary school education has also been popularized in the cities. But most of the young workers, who are mainly from the cities, are junior and senior secondary school graduates and, consequently, their cultural level is higher than that of their predecessors. Statistics researched by the departments concerned show that in 1957, the cultural level of workers across the country was at that time, less than 20 percent below secondary school, 64 percent primary school level and 15 percent illiterate. But now, more than 90 percent of young workers are junior or senior secondary school graduates and only a few are illiterate. Of course, because of the delay and influence caused by the "Great Cultural Revolution," regular education received by many young workers did not correspond with the level of their education. The actual cultural level of a number of young workers is lower than their education level and this situation has been termed as the "level" lower than "diploma." But in modern life in the cities there are many ways for people to acquire knowledge. For example, many young workers have acquired scientific and cultural knowledge through TV programs, broadcasts and exhibitions, and such knowledge cannot be acquired in schools. Investigations show that apart from an education level that does not accord with actual cultural level, the actual cultural level of young workers now is higher than that of their predecessors. Still, if the cultural level of the young workers is compared with the objective needs of modern construction, it is still far from meeting such needs. Therefore, it is necessary to constantly raise the cultural and scientific level of the young workers through cultural education for workers.

Investigations show that when young workers have a higher cultural level, they are quick to learn new technology. Many young workers are able to master in 2 to 3 months and 2 to 3 years the production skills and experience that the old workers needed many years to accumulate in their practice in production. The past few years have been characterized by the replacement of many old workers by young workers and, apart from the situation in which the young workers are yet to be trained to master certain technologies, this replacement does not, in general, affect production. And this situation is largely related to the fact that young workers have a higher cultural level and are good at learning technology. Many production departments have enormously absorbed educated and physically sound young workers to renew the production force and, consequently, have promoted production. Last year, 140,000 young workers in Shanghai completed production tasks 2 months ahead of schedule. As the young workers have a higher cultural level, consequently they have a wider scope of vision, are more active ideologically with less conservative thinking, are able to learn political theory with better results and to understand more complicated social political problems quicker, and have a strong impetus in transforming some irrational situations. All these are favorable to young workers in the understanding and acceptance of Marxism-Leninism-Mao Zedong Thought and the party's principles and policies.

3. The young workers experienced a complicated life during the 10 turbulent years. The young workers under 35 should have enjoyed this precious time in receiving socialist education in regular schools, but instead, they experienced 10 turbulent years during the "Great Cultural Revolution." Therefore, their experience during this period has been termed as "to have been born under the red flag and have grown up in turmoil." At that time, "classes were stopped for carrying out revolution." The majority of these young workers joined the "Red Guards" because they trusted Comrade Mao Zedong and the party and because of their revolutionary zeal. Because of their ignorance and under the instigation of some ultraleftist slogans, quite a number of these young people went too far and consequently caused, against their own will, considerable damage. These young people were lacking in political experience and, consequently, their souls were hurt and their ideology was in a chaotic situation. Later, they were sent to rural areas to settle down and then they returned to the cities, waiting for jobs. Thus having traversed a tortuous path, these young workers have a more complicated ideology, world outlook and outlook on life. Now, a few young workers are fed up with politics. However, they are seeking "material benefit," they have no revolutionary idealism and they have the serious ideology of a wage laborer. They do not even have confidence in the prospects of socialism and in the party's leadership. All these shortcomings cannot be separated from the fact that during the 10 turbulent years, a large number of cadres, intellectuals and model workers were subject to slander, that the achievements of the revolution and construction made in decades were denied and the relations between us and the enemy were topsy-turvy. Neither can all these be separated from the sufferings of their families during this period. A few young people have violated labor discipline, taken away state property or engaged in fighting, and all these are a result of the anarchism and ultra-individualism which were rampant during the 10 turbulent years. With regard to individual young workers who violated laws, were degenerate and even committed crimes in robbing and raping, in the final analysis, all these to a great extent are also the grave consequences of the 10 turbulent years.

In short, the family background and individual experiences of these young workers differ very much, not only from those of their predecessors who began to work prior to liberation, but also from those middle-aged workers who were already grown up in the 1950's and 1960's. Now some of our comrades have not concretely understood and analyzed the features of these young workers, their history and their situation. Instead, they have just seen that some aspects of these young workers are lagging behind the old workers and that some of these young workers are passive. Consequently, these comrades consider that this generation of the working class has a much lower political standard. They even hold that this generation of workers has lost the class nature of the working class and, finally, they have lost confidence in these young workers. Through comprehensive analyses of extensive reference materials from investigations, we hold that these views do not correspond with reality and, therefore, they are incorrect.

In order to correctly appraise the new generation of the Chinese working class, it is imperative that the ideological situation and reality of the ranks of the young workers be classified and studied and that quantitative analysis be made. Analysis and study of extensive reference materials from investigations show that young workers can be divided into the following five categories:

1. Those who belong to this category have great aspirations and have done a good job in their positions. They have constituted a political backbone and they are a shock force in production. They are good at learning and eager to make progress, conscientious in their studies and consciously abide by labor discipline. They make up about 20 percent of the total of young workers.

2. The young workers who belong to this category are able to give prominence to their work, which they carry out in a down-to-earth way. They pay attention to safety in production. They have a desire to become advanced workers, are hard working and live a simple life and dislike flighty and undisciplined behavior. They make up about 50 percent.

3. Those who belong to this category are able to fulfill their production tasks. But they do not have aspirations and do not care about politics. They pay particular attention to "material benefit," regard "everything from the point of money" and think that "to become workers means making money and earning their living." These young workers make up about 25 percent.

4. People in this category have empty minds, work halfheartedly and do not observe discipline. They seek only temporary material comforts, and while they do not make any big errors, they continue to make small ones. They account for about 5 percent of the young workers.

5. Those who belong to this category have violated laws and committed crimes. They have been sent to receive labor education or have been legally punished. Their number is less than 5 in every 1,000 young workers.

These proportions may be different in different regions, trades and industrial and mining enterprises because of their different situations. But investigations made in some regions and enterprises showed that the majority of young workers are good.

Some of the young workers are called "graduates in 3 years" and merit our special attention. They are junior and senior secondary school graduates from the 3 years 1966, 1967 and 1968. These young workers experienced social chaos in the early days of the "Great Cultural Revolution" and were also sent to settle in rural areas. Consequently, they have traversed a tortuous path. But most have received education directly from workers and peasants, have experienced production practice and have been trained to overcome difficulties. We must also understand that prior to the turbulent 10 years, they had generally already received regular school education, family education and social education for 7 to 12 years. They have a comparatively solid cultural foundation and a better world outlook and moral training. In addition, they joined the ranks of the working class earlier and have been trained in the environment of socialized mass production for about a decade. Eventually, a number of these young workers have succeeded to the fine morality and good tradition of the working class and have gradually become a backbone in both political work and production and construction of enterprises. According to statistics from some enterprises, about one-half of production team leaders are these young workers. The roles of such young workers include advanced furnace team leaders, workshop leaders, fine branch secretaries of the CYL and party branch secretaries. Although they traversed a tortuous path during the 10 turbulent years, many still maintain their confidence in the revolution and revolutionary zeal. In addition, through repeated comparisons in practice and serious study, their feelings for and understanding of the party and socialism have become deeper and deeper. They have great influence and prestige with the young people around them. Consequently, they are able through their own experiences, to grasp the ideological features of these young people, help raise their understanding and solve various ideological problems and, consequently, these young worker leaders have become an important force for the party in carrying out political and ideological work. In strengthening work among young workers, the party and CYL organizations at grassroot level must rely on these young workers so that they will be able to fully display their roles.

In order to correctly appraise the new generation of the Chinese working class, it is necessary to grasp the Marxist scientific analytical method and be good at grasping, from their manifestation, the nature of things. In his book "The Condition of the Working Class in England," Engels specifically described and analyzed the condition of the British working class in the first half of the 19th century on the basis of his own investigations and reliable reference materials. It was true that there existed various negative phenomena in the ranks of the working class at that time, but Engels did not consequently deny the historical status and historical role of this class. On the contrary, he profoundly expounded that it was none other than this class which had shouldered the heavy historical task as "gravediggers for capitalism." Today, in analyzing the young workers in our own country, we must also resort to this basic stand and method of historical materialism. Young people, and particularly the young workers who are related with the socialist social and socialized mass production and who have a higher cultural level, are the most active and vigorous force in our society. Some comrades have failed to appraise correctly the main aspects and unessential aspects of the young workers. They have paid more attention to the negative features of these young workers and less attention to their positive factors. Consequently, their appraisals of the new generation of our working class do not accord with reality. This is primarily because these comrades often simply just appraise the young workers today with the criteria for appraising the old workers and middle-aged workers. They neglect the changes in our social and historical conditions, fail to understand that the young workers and old workers have different ways of thinking, different modes of life because of the different living conditions of their families, different cultural levels and different social experiences. In spite of making concrete analyses, these comrades analyze the condition of the young workers of the 1980's with the criteria used in the 1950's. They also fail to carry out political and ideological works according to the features of the young workers. For example, our old and middle-aged workers suffered in the old society. Through the education of recalling the past miseries and comparing them with the present happiness, they will be helped to profoundly feel that they are liberated. This method of education helps inspire their innate class feelings for the party and socialism. But the young workers do not have such experiences. So, generally speaking, the traditional ideological and political work of "recalling personal sufferings" and "recalling family sufferings" are not of much help to them. Also, some comrades often regard the situation as one in which the young workers are refusing such education. Another example: Unlike their predecessors, the young workers like playing, joking and beauty and like to raise questions and put forth their opinions. But in spite of encouraging these features in the young workers, the comrades link these features with some bourgeois decadent thinking and style of work. All this has hindered us in correctly appraising the young workers. We must understand that although these young workers are not as good as their predecessors in overcoming difficulties, they have a higher cultural level, are quick in mastering technology, relatively sharp in ideology, do not easily believe in everything and are quicker in understanding and correcting their shortcomings and mistakes. Some comrades do not really understand the features of these young workers, which are very much in the interest of our socialist modernization program, and therefore do not work hard to develop these features. In fact, some of our comrades were previously old workers themselves or have had experiences that are similar to those of the old workers. This situation has also become a reason why these cadres demand that the young workers have the standards of the old workers.

It is undeniable that the young workers have various shortcomings and problems. We have to understand that the emergence of these shortcomings and problems not only has its own reason but is also mainly because of the fact that during the 10 turbulent years and over the past few years we slackened the education of the young workers (some places even discarded such education). Some young workers lack revolutionary aspirations and a sense of responsibility as the masters of their own country and this situation has been greatly related with the fact that in the past, these young workers did not receive systematic education in political theory and historical knowledge and education in the fine tradition and morality of the Chinese working class. Because of this lack of education, the young workers are strangers to those things with which the old workers are familiar. They are also very far from really understanding their motherland, the CPC, Marxism-Leninism-Mao Zedong Thought, the socialist system, the happy and beautiful tomorrow of socialism, the historical tasks, the glorious revolutionary tradition and the fine morality and nature of the working class. Thus, without this knowledge, how can they foster revolutionary ideals and a sense of responsibility as the masters of their own country? This situation has also been caused by the mistakes we made in our work. It is improper and unfair to blame this situation on the young workers. Recently, the Tianjin Soda Factory, Yangzhou Cotton Mill and many other industrial enterprises have strengthened this aspect of education. As a result, the class consciousness of the broad masses of the young workers has been greatly raised and their revolutionary initiative has risen. Facts prove that as long as we are able to correctly appraise the young workers and step up and improve their education, the shortcomings of these young workers will no doubt be overcome.

The majority of the young workers are good, but we can in no way neglect the problems of a few young workers who are lagging behind. These backward young workers are only a small proportion of the whole working class, but we must take active measures to reform them through education. We must understand that taken as a whole, the fact that some young workers are backward or degenerate is a phenomenon under particular historical conditions. If the whole society is concerned for the growth of this part of the young workers and the management departments concerned are able to succeed and develop the rich experience and fine tradition of the party in educating and reforming as well as mobilizing the masses to help these young workers patiently and meticulously, the majority of these young workers will be turned, through education, into an active strength and will even, with the exception of a few who are incorrigible, become advanced elements. This has been proven in practice by many factories and enterprises. Although for the time being, these few young workers are backward or even degenerate, they have grown up in our socialist motherland. We must understand that these young workers can by nature be reformed. We can in no way put them in the same place as young people in capitalist societies who have become the "collapsing generation" as they turn decadent and degenerate because of the defects of the whole society and because they have no future. Of course, we must be fully aware that it is a very difficult task to reform these young workers. It needs time and effort before we are able to heal the wounds suffered by them during the 10 turbulent years. Externally, we have now implemented the correct open-door policy and internally we have implemented an economically activating policy. The old ideology and concepts of the old exploiting classes, the influence and corrosion of the decadent bourgeois ideology inside and outside socialist society cannot but have a negative effect on the part of the young workers. Therefore, the education of these young workers has become even more complicated. But we, the working class, constitute the most advanced class in the history of our country and our party is the advanced vanguard of the working class which has mastered the most advanced science in the world--Marxism-Leninism-Mao Zedong Thought. History has proved that our party and working class are able not only to educate and reform themselves but also to guide the whole nation and to educate and reform it. Therefore, we must be fully confident that by resorting to powerful ideological and political work and systematic education, we will be able to constantly overcome the influences and corrosion of the various forms of the ideology of the exploiting class and educate and reform these backward young workers so that they will be turned into qualified members of the new generation of the Chinese working class.

The history of the development of the working class both at home and abroad shows that this class is in a position to educate, reform and digest various idle class elements and people with various forms of nonproletarian ideology (such as the lumpen proletariat) so as to expand its own ranks. Modern and socialized big industry is a big furnace that is coupled with the injection of the ideology of the advanced working class, rich experience in revolutionary struggles, tradition in revolutionary struggles and education in modern science and culture. Therefore, this furnace can melt various nonproletarian elements into true members of the working class. Today, the working class in our country is the leading class of the country while our party is leading the national political power on behalf of the working class. In addition, we have conditions for resorting to all means outside and inside factories in our efforts to bring up the new generation of our working class. Marx said: "The most advanced workers are fully aware that the future of their class and, consequently, the future of mankind totally depend on the education of the growing new generation of workers." ("Collected Works of Marx and Engels," Vol 11, p 217) These words have been proved by facts. We must put the education of the young workers into an important position and pay much attention to it. We have restored order today. It is imperative for our party, which is the vanguard of the working class, to make more efforts in strengthening the work of the young workers so as to train them into a new generation of the working class who are imbued with communist ideology and morality, who have modern scientific knowledge and production skills, who are united and cooperating and who have strict discipline, and to enable them to help unite and influence young people in society.

At the present stage in our country, workers, peasants and intellectuals are the forces on which our party relies. Of course, we must rely on the working class, but because of the present great changes in the organizational structure of our working class, the target of the party's key work within the working class must also be shifted from the old workers who began to work in factories after the founding of new China as the main target, to the young workers as the main target (of course, we cannot neglect the backbone role of the middle-aged workers). This work is demanded by history and by objective reality. In order to effectively build the ranks of our working class both ideologically and organizationally and in carrying out all work concerning the working class, we must pay full attention to this change in the target of education.

CSO: 4004/2

A LETTER TO A READER

Beijing RED FLAG in Chinese No 17, 1 Sep 82 inside back cover

[Article by Xiong Fu [3574 1788], editor in chief of RED FLAG]

> [Text] Editor's note: Comrade Chen Baozhu, a young cadre of Jilin Province, wrote a letter to Comrade Xiong Fu, editor in chief of RED FLAG, saying that he was going to write an article about the building of the party in the new historical period. Comrade Chen Baozhu hoped that Comrade Xiong Fu would correct his article. The following is Comrade Xiong Fu's reply.

Comrade Chen Baozhu:

How are you!

I have received your letter dated the evening of 10 May. Let me first say that we are equal members of the party's contingent, only we have different direct responsibilities and types of work. Comparatively speaking, I am older than you, and naturally have more experience than you. While you are working at the basic level, you have more practical knowledge than I do. Is this not right?

It is good that you are going to write an article about the building of the party in the new historical period. It can doubtless be said that you would not write such an article as a pastime or to seek the limelight, but to share the party's and the country's cares and burdens. You fully know the situation in basic-level organizations, and have a party member's sense of responsibility, particularly that which a worker of the party should have toward the party's work. You ask me to help you write this article well. I will naturally help you, because it is my duty, as well as my responsibility.

I have read the enclosed contents of your letter to the party Central Committee. If you write according to those contents, the article may possibly cover too large a subject, and it will not be easy to write. A good subject must be chosen when writing an article. If the range of the subject is small, it is comparatively easier to begin. If the range of the subject is too large, the theme and elaboration will be full of empty words. Furthermore, we must proceed from actual conditions, centralize the problems that emerge in actual life, explain how we look at the problems (that is, our viewpoints) and expound (that is, state our reasons). Theory is not at all mysterious. Comrade Mao Zedong said that theory meant drawing something from objective reality (drawing is abstract, meaning summing up) and obtaining something that has been proved in objective reality. In addition, when expounding, we must have factual arguments as well as points of view. These two must be combined to form a certain logic. This means fully stating reasons. Minor principles should be subordinated to major ones. Principles and ways of saying things must be in conformity with each other. They should not contradict each other. That is to say they should not be, as the saying goes, speaking incoherently. According to the general requirements of writing articles, and according to your feeling that the party's good policies cannot be thoroughly implemented in basic-level units, you may narrow the range of the subject of your article to the analysis of the ideological and political conditions of party members at the basic level and to how to strengthen their education. In this way, you can help them raise their level of implementing policies. I do not have a good knowledge of the situation at the basic level. But I am afraid that the main thing is not "effectiveness," but the varying levels of understanding policies. Many comrades do not really understand the party's policies. My suggestion is only for your reference.

In addition, you have mentioned that you do not agree with "relaxing" our policies. You are worried that if our policies are changed too often, we cannot win the confidence of the people. You regard "changing too often" and "relaxing" as an organic whole, and you misunderstand these two concepts. Have our policies changed? Compared with the "leftist" mistakes made during and before the "Cultural Revolution," our policies have of course changed, and they have changed in a fundamental sense. But viewed from the angle of the consistency and continuity of policies since the 3d Plenary Session of the 11th CPC Central Committee, and from the orbit of the guiding thinking for formulating policies, that is, Mao Zedong Thought, we cannot say that our policies have changed in a variety of ways, because our party's policies are suited to the present actual conditions of our country and have been proved correct. As to "relaxing" our policies, there are three main aspects in the rural areas. 1) The method of "abolishing" the individual economy too early has been changed. 2) The method of controlling the collective economy too tightly has been changed. 3) The method of "eating from the same pot," adopted in the past in allocating the results of labor, has been changed. With regard to these three aspects, our party's present policies are as follows: The policy of assisting the individual economy is adopted under the condition that the socialist public ownership system occupies the dominant position. The policy of appropriately enlarging the autonomy of the collective economy is adopted under the prerequisite that the collective ownership system is consolidated. The principle of to each according to his work and more pay for more work is implemented in allocating the results of labor. This is bringing order out of chaos, insofar as past "leftist" mistakes are concerned. This is what we mean by "relaxing" our policies. Such "relaxation" of policies is necessary, and has absolutely nothing to do with "changing in a variety of ways."

That's all for now.

Wishing you success in your work!

Yours,

Xiong Fu

CSO: 4004/2 END

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1 December 1982

China Report

RED FLAG

No. 18, 16 September 1982

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1 December 1982

CHINA REPORT
RED FLAG
No. 18, 16 September 1982

Translation of the semimonthly theoretical journal of the Central Committee of the Communist Party of China published in Beijing.

CONTENTS

Resolution of the 12th CPC National Congress Regarding the 11th Central Committee's Report (Adopted on 6 September 1982) (p 2).......... 1

Resolution of the 12th CPC National Congress on the 'Constitution of the Chinese Communist Party' (Adopted on 6 September 1982) (p 2)..... 2

The Opening Speech at the 12th CPC Congress (1 September 1982) (pp 3-5)
(Deng Xiaoping).. 3

Create a New Situation in All Fields of Socialist Modernization--Report to the 12th National Congress of the Communist Party of China (1 September 1982) (pp 6-30)
(Hu Yaobang).. 6

Constitution of the Communist Party of China (Adopted by the 12th National Congress of the Communist Party of China on 6 September 1982) (pp 31-43).. 47

Speech at the 12th CPC Congress (6 September 1982) (pp 44, 46, 47)
(Ye Jianying).. 72

Speech at the 12th CPC Congress (6 September 1982) (pp 45, 46, 47)
(Chen Yun).. 74

Closing Speech at the 12th CPC Congress (11 September 1982) (pp 48-49)
(Li Xiannian).. 77

Hold High the Banner of Communism, Advance Bravely Along the Road Charted by the 12th CPC Congress (pp 50-54)
(Editorial).. 80

The Correct Program for Creating a New Situation (pp 55-60)
(RED FLAG commentator) 88

A Great Historical Change and Its Basic Experience (pp 61-66)
(Yuan Mu) 98

Lay a Good Foundation To Usher in New Vigorous Economic Growth (pp 67-72)
(Wang Renzhi) 108

Study the Report to the 12th CPC Congress From the High Plane of Communist Ideology (pp 73-76)
(Xiong Fu) 119

How To Study the First Part of the 12th CPC Congress Report (pp 77-80)
(Editorial Office for Theoretical Education) 125

Without the Communist Party There Would Have Been No New China (p 81)
(Huo Xing) 135

RESOLUTION OF THE 12TH CPC NATIONAL CONGRESS REGARDING THE 11TH CENTRAL COMMITTEE'S REPORT (ADOPTED ON 6 SEPTEMBER 1982)

Beijing RED FLAG in Chinese No 18, 16 Sep 82 p 2

[Text] The 12th CPC National Congress approves the report made by Comrade Hu Yaobang on behalf of the party's 11th Central Committee. The congress holds that the lines, principles and policies implemented since the 3d Plenary Session of the 11th Central Committee are correct and that good results have been achieved in the work. The congress holds that the correct program and the series of principles and policies for creating a new situation in all fields of socialist modernization set forth in this report shall be the cardinal guide for the party's work in all fields.

During the 5 years between this and the next congress, the whole party should strive for a basic turn for the better in the state's financial and economic situation, the mood of the society and the party's work style. For this purpose, it is necessary to adopt many important measures, principally reform of structure and economic setup; making cadres revolutionized, younger in average age, better educated and more professionally proficient; building socialist material civilization and at the same time building socialist spiritual civilization, developing socialist democracy and strengthening the socialist legal system; dealing blows at serious crimes in the economic and other fields; and rectification of the party organization and work style. The congress calls on the comrades of the whole party, under the leadership of the 12th Central Committee, to unite the people of all nationalities throughout the country, hold high the great banner of Marxism-Leninism-Mao Zedong Thought, invigorate themselves; work persistently, dauntlessly and energetically strive to create a new situation in all fields of the socialist modernization.

CSO: 4004/8

RESOLUTION OF THE 12TH CPC NATIONAL CONGRESS ON THE 'CONSTITUTION OF THE CHINESE COMMUNIST PARTY' (ADOPTED ON 6 SEPTEMBER 1982)

Beijing RED FLAG in Chinese No 18, 16 Sep 82 p 2

[Text] The 12th CPC National Congress hereby approves the "Constitution of the Chinese Communist Party" submitted by the 11th Central Committee and decides that the new party constitution will come into force on the day of its approval.

The congress decides that party committees at all levels and every party organization must conscientiously organize studies of the new party constitution and strive to make all party members seriously understand the party constitution's general program and all its stipulations. In the course of the study, it is necessary to carry out comradely criticism and self-criticism in the light of the actual conditions to enable all party members, especially all party members who are also cadres, to enhance their understanding so that they can be fully prepared for rectifying the party style and consolidating the party organization in an all-round way and building the party into a strong core of leadership for the cause of socialist modernization.

CSO: 4004/8

THE OPENING SPEECH AT THE 12TH CPC CONGRESS (1 SEPTEMBER 1982)

Beijing RED FLAG in Chinese No 18, 16 Sep 82 pp 3-5

[Speech by Vice Chairman Deng Xiaoping]

[Text] Comrades, I now declare the 12th National Congress of the Communist Party of China open.

There are three main items on the agenda of our congress: (1) consideration of the report of the 11th Central Committee and decision on the party's program for striving to create a new situation in all fields of socialist modernization; (2) consideration and adoption of the new constitution of the Communist Party of China; and (3) election of a new Central Committee, a Central Advisory Commission and a new Central Commission for Discipline Inspection in accordance with the provisions of the new party constitution.

With the accomplishment of the tasks of this congress, our party will have a more clear-cut guiding ideology for socialist modernization, the party will be strengthened in a way more suited to the needs of the new historical period, and in the highest leading organs of the party there will be cooperation of old and new cadres and succession of the new to the old, thus making these organs a more vigorous command headquarters.

A review of the party's history will show this congress to be a more important meeting since the seventh national congress.

The seventh congress held in 1945 under the chairmanship of Comrade Mao Zedong was the most important one in the period of democratic revolution since the founding of our party. It summed up the historical experience gained in the tortuous development of China's democratic revolution in the previous 20 years and more, formulated a correct program and correct tactics and overcame the erroneous ideas within the party so that unity in understanding based on Marxism-Leninism and Mao Zedong Thought was attained. As a result the party became more united than ever before. The seventh congress laid the foundation for the nationwide victory of the new democratic revolution.

The eighth congress of the party held in 1956 analyzed the situation following the basic completion of the socialist transformation of the private ownership of the means of production and put forth the task of all-round socialist construction. The line of the eighth congress was correct. However, because the party was not adequately prepared ideologically for all-round socialist construction at that time, in practice that line and many correct opinions put forward at that congress were not adhered to. After the eighth congress, we suffered serious setbacks, though we also achieved many successes in socialist construction.

The present congress is being held in circumstances vastly different from those at the time of the eighth congress. Just as the 20-odd years of tortuous development of our democratic revolution before the seventh congress taught the whole party how to grasp the laws governing that revolution in China, so the 20-odd years of tortuous development of our socialist revolution and construction after the eighth congress taught the whole party profound lessons. Since the 3d Plenary Session of the 11th Central Committee (held in December 1978), our party has restored its correct policies in the economic, political, cultural and other fields of work and adopted a series of new and correct policies after studying the new situation and new experience. By comparison our party has, since the eighth congress, gained a much deeper understanding of the laws governing China's socialist construction, acquired much more experience and become much more conscious and determined in carrying through our correct principles. We have every reason to believe that the correct program to be formulated at this congress will create a new situation in all fields of socialist modernization and bring prosperity to our party, our socialist cause, our country and all our nationalities.

In our modernization program, we must proceed from China's realities. Both in our revolution and construction, we should learn from foreign countries and draw on their experience. But mechanical copying and application of foreign experience and models will get us nowhere. We have had many lessons in this respect. To integrate the universal truth of Marxism with the concrete realities of China, blaze a path of our own and build socialism with Chinese characteristics--this is the basic conclusion we have reached in summing up long, historical experience.

China's affairs should be run in our own way and by our own efforts. Independence and self-reliance have always been and will forever be our basic stand. While we Chinese people value our friendship and cooperation with other countries and people, we value even more our hard-won independence and sovereign rights. No foreign country can expect China to be its vassal, nor can it expect China to swallow any bitter fruit detrimental to China's interests. We will unswervingly follow a policy of opening to the outside world and actively increase exchanges with foreign countries on the basis of equality and mutual benefit. At the same time, we will keep a clear head, firmly resist corrosion by decadent ideas from abroad and never permit the bourgeois way of life to spread in our country. We Chinese people have our own national self-respect and pride. We deem it the highest honor to love our country and contribute our all to its socialist construction, and we deem it the deepest disgrace to impair the interests, dignity and honor of our socialist motherland.

The 1980's will be an important decade in the historical development of our party and state. To intensify socialist modernization, to strive for reunification and particularly for the return of Taiwan to the motherland, and to combat hegemonism and safeguard world peace--these are the three major tasks of our people in the 1980's. Economic construction is at the core of these tasks as it is the basis for the solution of China's external and domestic problems. In a long period to come, at least in the 18 years or more up to the end of this century, we must diligently do the following four things: to restructure the administration and the economic setup and make the ranks of cadres more revolutionary, younger in average age, better educated and more professionally competent; to build a socialist spiritual civilization; to strike at criminal activities in the economic and other fields that undermine socialism; and to rectify party style and consolidate the party organization on the basis of a conscientious study of the new party constitution. These will be the most important guarantee for our adherence to the socialist road and the concentration of our efforts on modernization.

Ours is now a big party, with a membership of 39 million, that exercises leadership over the whole state power. However, the members of the Communist Party will always be a minority in the whole population. None of the major tasks set forth by our party can be accomplished without the hard work of the masses of the people. Here, on behalf of our party, I wish to pay high tribute to all Chinese workers, peasants and intellectuals who have worked diligently for our socialist modernization, and to the Chinese People's Liberation Army--the Great Wall of steel safeguarding the security and socialist construction of our motherland.

China's democratic parties fought together with our party in the period of the democratic revolution and have advanced and undergone tests together with us in the period of socialism. In the construction work ahead, our party will continue its long-term cooperation with all patriotic democratic parties and all patriotic democrats. Here, on behalf of our party, I wish to express our sincere gratitude to all democratic parties and all our friends without party affiliations.

The cause of our party has enjoyed the support and assistance of the progressive personages and friendly countries throughout the world. Here, on behalf of our party, I wish to express our sincere gratitude to them.

We must do our work well and carefully, strengthen our unity with the people of all nationalities in the country and with the people of the whole world and struggle hard to make China a modern socialist country that is culturally advanced and highly democratic, and to oppose hegemonism, safeguard world peace and promote human progress.

CSO: 4004/7

CREATE A NEW SITUATION IN ALL FIELDS OF SOCIALIST MODERNIZATION--REPORT TO THE 12TH NATIONAL CONGRESS OF THE COMMUNIST PARTY OF CHINA (1 SEPTEMBER 1982)

Beijing RED FLAG in Chinese No 18, 16 Sep 82 pp 6-30

[Report by Hu Yaobang]

[Text] Comrades: On behalf of the 11th Central Committee of the Communist Party of China, I will now make a report to the 12th national congress of the party.

I. A Historic Change and Our Great New Task

Since the smashing of the Jiang Qing counterrevolutionary clique in October 1976 and, in particular, since the 3d Plenary Session of the 11th Central Committee held in December 1978, we have accomplished, through the arduous efforts of the whole party, the whole army and the people of our nationalities, the difficult task of setting the party's guiding ideology to rights and have won major successes in setting right our practical work on all fronts, thereby effecting a great and historic change.

The mission of the present party congress is, through the summing-up of the historic achievements of the past 6 years, to chart a correct course and define correct strategic steps, principles and policies so that we can more thoroughly eliminate the negative consequences of the decade of domestic turmoil, make further progress and create a new situation in all fields of socialist modernization. The Central Committee of the party is confident that our congress can shoulder this momentous historical task.

What are the main indicators of the historic change that has been brought about?

In the sphere of ideology, we have resolutely broken the fetters of dogmatism and the personality cult which existed for a long time, and have reaffirmed the Marxist ideological line of seeking truth from facts, thus infusing a dynamic and creative spirit into all fields of endeavor. We have restored the original features of Mao Zedong Thought and persisted in and developed it under new historical conditions.

We have put an end to years of social turbulence and brought about a political situation characterized by stability, unity and liveliness. Socialist democracy and the socialist legal system are being gradually perfected, equality and unity among all our nationalities have been strengthened anew, and the patriotic united front has expanded further. Thanks to this political situation, the present period is one of the best since the founding of our People's Republic.

The leading bodies of the party and the state at all levels have been gradually readjusted, improved and strengthened. By and large, the leadership in the party and state organizations at all levels is now in the hands of cadres loyal to the party and the people.

We have resolutely shifted the focus of work of the party and the state to economic construction and, liquidating the "left" mistakes that persisted in our economic work over the years, have conscientiously implemented the correct principle of readjustment, restructuring, consolidation and improvement. Having tided over the most difficult phase, our national economy is now on the sound path of steady growth.

Our endeavors in education, science and culture are on the right track and, with some initial successes, are beginning to thrive. Relations between the party and the intellectuals have improved enormously. Unity among the three main social forces, namely, the workers, peasants and intellectuals is also fairly good now.

We have made tremendous efforts to build a modern regular revolutionary army. The People's Liberation Army has achieved marked successes in improving its military training and its ideological and political work, in bettering its relations with the civil authorities and the people, in defending our frontiers and safeguarding national security and in helping socialist construction. It has further enhanced its military capability and political consciousness in line with new historical conditions.

In the course of leading the people in effecting this historic change, our party has withstood tests and remolded itself. It has done much to rectify party style, gradually revived its fine traditions and become more mature and firmer in the course of struggle.

Looking back at our path of struggle in these 6 years, we see that it has been an uneven one. The decade of domestic turmoil inflicted grievous wounds on the party and the state. Our victory has not been easy. It was won only after the Central Committee led the entire party and people in overcoming enormous difficulties of all kinds.

The "left" mistakes made before and during the "Cultural Revolution" had a deep and extensive influence and caused serious damage. While thoroughly exposing and repudiating the Lin Biao and Jiang Qing counterrevolutionary cliques, we found it necessary to make a clean sweep of all such "left" mistakes. This unavoidably involved the mistakes made by Comrade Mao Zedong in his later years. Comrade Mao Zedong's contributions to the Chinese revolution were great and indelible; that is why over long years he enjoyed enormous prestige in the party and among the people and will continue to do so in the years to come. Whether we had the Marxist courage to conduct self-criticism of our party's mistakes, including those made by Comrade Mao Zedong, and whether we could conduct such self-criticism correctly and in a historical perspective constituted the key issue deciding whether things could be set right. During the 2 years before the 3d Plenary Session of the 11th Central Committee, the question of rights and wrongs in the party's guiding ideology was not clarified as it should have been and the work of setting things to rights proceeded haltingly; this was because in the early days after the smashing of the Jiang Qing counterrevolutionary clique, our party was not ideologically prepared for an overall liquidation of the "left" mistakes and also because the principal leading comrade in the Central Committee at the time continued to make "left" mistakes on a series of important issues. The 11th party congress announced the end of the "Cultural Revolution" and reaffirmed the task of building a modern and powerful socialist state, thus playing a positive role in mobilizing the masses. However, the political report to the 11th party congress still approved of the erroneous theories, policies and slogans of the "Cultural Revolution," thus exerting a negative influence by seriously obstructing our effort to set things right. The historic service of the 3d Plenary Session of the 11th Central Committee was precisely that it thoroughly shattered the heavy chains imposed by the protracted "left" mistakes, set right the guiding ideology of the party and reaffirmed the Marxist ideological, political and organizational lines. Subsequently, our party thoroughly summed up its historical experience in all spheres and scientifically explained numerous questions encountered in practical work, which concerned theory and policy in the building of socialism. The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" adopted in June 1981 by the 6th Plenary Session of the 11th Central Committee marked the successful conclusion of our work in setting the party's guiding ideology to rights. Drawing on the collective wisdom of the broad sections of cadres and masses, our party subjected the protracted "left" mistakes and Comrade Mao Zedong's mistakes in his later years to scientific analysis and criticism, while firmly upholding the fine traditions developed by the party during long years of struggle, safeguarding the scientific truth of Mao Zedong Thought and affirming Comrade Mao Zedong's historical role. This helped not only to differentiate right from wrong but also to strengthen unity in our ranks, thus providing a basic guarantee for the healthy development of our revolution and construction.

Since the third plenary session, our party has made every effort to conform to objective reality in formulating and implementing a series of principles and policies and to avoid focusing on the criticism of one erroneous tendency to the neglect of another. In times of historic change, people are apt to think one-sidedly because of the profound influence of old ideas and customs and because of lack of experience in dealing with new things, plus the effect of other social and political factors. In recent years, mistaken ideas representing different tendencies have arisen among sections of the party members and cadres with regard to such major questions of principle as the party's policy of mental emancipation, the assessment of

Comrade Mao Zedong and Mao Zedong Thought and the appraisal of class struggle at the present stage of socialism. Unable to free themselves completely from the influence of the former "left" mistakes, some comrades wanted to return, wittingly or unwittingly, to the old track of "taking class struggle as the key link." Others, deviating from the Marxist path, went so far as to doubt or even negate the leadership of the party and the socialist road. On such major questions of principle, our party has all along taken a firm stand and waged timely and appropriate ideological struggles on two fronts--against both the "left" and the right deviations. On the one hand, in its effort to prevent the recurrence of mistakes that would lead to the broadening of the scope of class struggle, the Central Committee has systematically liquidated the erroneous theory of "continuing the revolution under the dictatorship of the proletariat" put forth during the "Cultural Revolution," a theory that envisaged a continuing "revolution whereby one class overthrows another," and it has vigorously developed socialist democracy and a socialist legal system and restored and expanded our united front work. On the other hand, the party has reiterated the four cardinal principles centering on upholding the leadership of the party (the four cardinal principles are adherence to the socialist road, to the people's democratic dictatorship, to the leadership of the Communist Party and to Marxism-Leninism and Mao Zedong Thought), criticized and curbed the tendency toward bourgeois liberalism and resolutely cracked down on all types of criminal activity that disrupt socialist construction. In handling various practical problems, we have done our best to act in the scientific and all-sided way as required by Marxism. This has enabled us to deal fairly successfully and relatively speedily with many complex ideological problems and social and political contradictions.

A jumble of problems accumulated during the 10 years of domestic turmoil. Many things that needed to be done or needed to be reformed claimed our attention. Moreover, the progress of new work inevitably gives rise to new problems. The party therefore had to draw up a list of priorities, do its work systematically and solve problems step by step.

Take economic work for example. The third plenary session first grasped the link of agriculture, laying emphasis on overcoming the longstanding "left" mistakes in the guidelines in this sphere. This involved restoring and expanding the power of decision of the rural people's communes and their production brigades and teams; restoring the private plots, family and collective sideline production and village fairs; and gradually introducing, in various forms, the system of responsibility for production in which payment is linked to output. At the same time, the state purchasing prices of grain and some other agricultural products were raised; then the policies providing for a diversified economy were formulated. As a result marked changes have taken place in agriculture, in which vigorous growth has replaced stagnation. For many years, the peasants have not been so happy as they are today. This has done much to start a turn for the better in the whole economic and indeed the whole political situation.

Following the improvement in agriculture, we began to readjust the structure of industry, laying emphasis on remedying the disproportion between light and heavy industries and on readjusting the service orientation of heavy industry. The result has been a rapid expansion of light industry. At the same time, we readjusted the ratio between accumulation and consumption and reduced the scale of capital construction which had been overextended. This has resulted in improved living standards for the people as well as better proportions between the various branches of the national economy. In other fields, we have, by and large, used the same method--that of tackling the key problem first to facilitate the solution of the rest.

In the final analysis, our party has been successful in the above efforts because it has adhered to the scientific Marxist principles of combining theory with practice and of recognizing the people as the makers of history. The facts are plain enough. The party firmly trusts the people, relies on them and acts in compliance with their wishes and the trend of historical development. With the crushing of the Jiang Qing counterrevolutionary clique, the people placed high hopes on the party. They demanded that wrongs be set right, that stability and unity be achieved, that efforts be concentrated on socialist modernization and that the level of our country's socialist material and spiritual civilization be raised. It is by crystallizing the will of the people and formulating correct lines, principles and policies that the party has been able to bring the cause of socialism in our country back onto the sound path. The people's trust in the party and their support for it are the key to the continuous success of our cause.

Looking back over the course of struggle we have traversed in the past 6 years, we naturally recall two previous instances of historic change during China's democratic revolution led by the party, namely, the change from the failure of the Northern Expedition (1924-27) to the outbreak of the agrarian revolutionary war (1927-37) and the change from the failure of the struggle against the Kuomintang's fifth "encirclement and suppression" campaign to the launching of the war of resistance against Japan (1937-45). At both junctures, when the party and the people had suffered heavy losses and the revolution faced grim crises, enemies both at home and abroad concluded that we were doomed to total defeat, and not a few people in our own ranks wavered and grew pessimistic. But the party was not overwhelmed by the enormous difficulties. Under the leadership of a number of outstanding figures of whom Comrade Mao Zedong was representative, the party displayed rare revolutionary courage and fortitude, fought on tenaciously, strove creatively to find a revolutionary path suited to China's specific conditions and finally turned the tide, resuscitating the revolutionary cause and bringing about a new situation of victorious advance.

Compared with the two previous ones, the present change has taken place under vastly different historical conditions. Today, our party is the leading core of nationwide political power and our country has already experienced a long period of socialist revolution and construction. The people are far more powerful than they were in the period of the revolutionary wars. Despite the tremendous damage done to it by the "Cultural Revolution," the cause of socialism retains its great and invincible vitality. Although we have lost Comrades Mao Zedong, Zhou Enlai, Liu Shaoqi and Zhu De and other veteran proletarian revolutionaries, we still have as the mainstay of our cause many other veteran revolutionaries who fought shoulder to shoulder with them. Moreover, we have as our core force many old comrades who went through the test of revolutionary wars and large numbers of young and middle-aged comrades who have been tempered and have matured since the founding of our People's Republic. Under the leadership of the Central Committee, we have at last succeeded in effecting another historic change, thanks to the arduous efforts of the party organizations at all levels and the concerted struggle of all party comrades and millions upon millions of people throughout the country.

Comrades! The great successes we have achieved in the past 6 years are evident to all. But, instead of resting on our laurels, we must realize that there are still many shortcomings and difficulties and that there is still much to be desired in the work of the party. We must enhance our revolutionary spirit, plunge into work and strive for new and still greater successes.

The general task of the Communist Party of China in this new historical period is to unite the people of all our nationalities in working hard and self-reliantly to achieve, step by step, the modernization of our industry, agriculture, national defense and science and technology and to make China a culturally advanced and highly democratic socialist country. In the 5 years from the present party congress to the next, we should, as this general task and China's actual conditions require, energetically promote the socialist material and spiritual civilization, continue to strengthen socialist democracy and the socialist legal system, earnestly rectify the party style and consolidate the party organization and strive to bring about a fundamental turn for the better in the country's financial and economic situation, in the standards of social conduct and in the style of the party. At the same time, together with all the patriotic people, our compatriots in Taiwan, Xianggang (Hong Kong) and Aomen (Macao) and including Chinese nationals residing abroad, we shall pursue the great aim of reunifying the motherland. We shall also join the people of the rest of the world in carrying on the struggle against imperialism and hegemonism in defense of world peace. These are the lofty tasks of creating a new situation in all fields that lie before us.

II. Bring About an All-Round Upsurge of the Socialist Economy

Of the various tasks for bringing about an all-round new situation, the most important one is to push forward the socialist modernization of China's economy. For this purpose, the party has formulated the strategic objective, priorities and steps of our economic construction as well as a series of correct principles in a spirit of realism.

The general objective of China's economic construction for the two decades between 1981 and the end of this century is, while steadily working for more and better economic results, to quadruple the gross annual value of industrial and agricultural production--from 710 billion yuan in 1980 to 2,800 billion yuan or so in 2000. This will place China in the front ranks of the countries of the world in terms of gross national income and the output of major industrial and agricultural products; it will represent an important advance in the modernization of its entire national economy; it will increase the income of its urban and rural population several times over; and the Chinese people will be comparatively well-off both materially and culturally. Although China's national income per capita will even then be relatively low, its economic strength and national defense capabilities will have grown considerably, compared with what they are today. Provided that we work hard and in a down-to-earth manner and bring the superiority of the socialist system into fuller play, we can definitely attain our grand strategic objective.

From an overall point of view, what is most important in our effort to realize this objective in economic growth is to properly solve the problems of agriculture, energy and transport and of education and science.

Agriculture is the foundation of the national economy, and provided it grows, we can handle the other problems more easily. At present, both labor productivity and the percentage of marketable products are rather low in our agriculture; our capacity for resisting natural calamities is still quite limited; and, in particular, the contradiction between the huge population and the insufficiency of arable land is becoming ever more acute. From now on, while firmly controlling the population growth, protecting all agricultural resources and maintaining the ecological balance, we must do better in agricultural capital construction, improve the conditions for agricultural production practice scientific farming, wrest greater yields of grain and cash crops from limited acreage, and secure the all-round development of forestry, animal husbandry, sideline occupations and fishery in order to meet the needs of industrial expansion and of higher living standards for the people.

Energy shortage and the strain on transport are major checks on China's economic development at present. Growth in energy production has slowed down somewhat in the last few years, while waste remains extremely serious. Transport capacity lags far behind the increasing volume of freight, and postal and telecommunications facilities are outmoded. To ensure a fair rate of growth in the national economy, it is imperative to step up the exploitation of energy resources, economize drastically on energy consumption and at the same time strive hard to expand the transport and postal and telecommunications services.

The modernization of science and technology is a key link in our four modernizations. Today, many of our enterprises are backward in production techniques, operation and management; large numbers of workers and staff members lack the necessary scientific knowledge, general education and work skills; and there is an acute shortage of skilled workers, scientists and technicians. In the years to come, we must promote large-scale technical transformation in a planned way, popularize technical measures that have yielded good economic results, and actively introduce new techniques, equipment, technologies and materials. We must step up research in the applied sciences, lay more stress on research in the basic sciences and organize people from all relevant fields to tackle key problems in scientific research. We must improve our study and application of economics and scientific business management and continuously raise the level of economic planning and administration and of the operation and management of enterprises and institutions. And we must work vigorously to universalize primary education, strengthen secondary vocational education and higher education and develop educational undertakings of all types and at all levels in both urban and rural areas, including training classes for cadres, workers, staff members and peasants and literacy classes in order to train all kinds of specialists and raise the scientific and educational level of the whole nation.

In short, in the next 20 years we must keep a firm hold on agriculture, energy, transport, education and science as the basic links, the strategic priorities in China's economic growth. Effective solution of these problems on the basis of an overall balance in the national economy will lead to a fairly swift rise in the production of consumer goods, stimulate the development of industry as a whole and of production and construction in other fields and ensure a betterment of living standards.

Population has always been an extremely important issue in China's economic and social development. Family planning is a basic policy of our state. We must do our utmost to keep our population within 1.2 billion by the end of this century. The total number of births is now at its peak. Excessive population growth will not only adversely affect the increase of per-capita income but also cause serious difficulties in food supply, housing, education and employment, and it may even disrupt social stability. Consequently, we must never slacken our effort in family planning, especially in the rural areas. We must conduct intensive and meticulous ideological education among the peasants. Provided that we do our work well, we can succeed in bringing our population under control.

In order to realize our objective for the next two decades, we must take the following two steps in our strategic planning: In the first decade, aim mainly at laying a solid foundation, accumulating strength and creating the necessary conditions; and in the second, usher in a new period of vigorous economic development. This is a major policy decision taken by the Central Committee after a comprehensive analysis of the present conditions of China's economy and the trend of its growth.

Our national economy has grown steadily even in the past few years of readjustment, and the achievement is quite impressive. In many fields, however, the economic results have been far from satisfactory, and there has been appalling waste in production, construction and circulation. We have yet to equal our best past records in the materials expended in per unit products, in the profit rate of industrial enterprises, in the construction time for large and medium-sized projects and in the turnover rate of circulating funds in industrial and commercial enterprises. Apart from some objective factors not subject to comparison, the main causes for this are the "left" mistakes of the past, which resulted in blind proliferation of enterprises, an irrational economic structure, defective systems of economic administration and distribution, chaotic operation and management and backward production techniques. Things started to pick up a little in 1982, with the stress laid on better economic results. Nevertheless, it is impossible in a brief space to solve all such problems which have piled up over a long period. We have to bear this basic fact in mind when drawing up the strategic plan for China's economic development.

In the period of the Sixth Five-Year Plan (1981-85), we must continue unswervingly to carry out the principles of readjustment, restructuring, consolidation and improvement, practice strict economy, combat waste and focus all economic work on the attainment of better economic results. We must devote our main efforts to readjusting the economic structure in various fields, streamlining, reorganizing and merging the existing enterprises and carrying out technical transformation in selected enterprises. At the same time, we must consolidate and perfect the initial reform in the system of economic administration and work out at an early date the overall plan for reform and the measures for its implementation. During the Seventh Five-Year Plan (1986-90), we shall carry out the technical transformation of enterprises on an extensive scale and gradually reform the system of economic administration, in addition to completing the rationalization of the organizational structure of enterprises and the economic structure in various fields. We must also undertake a series of necessary capital construction projects in the energy, transport and some other fields, and the concentrated solution of a number of major scientific and technological problems in the 1980's. Therefore, it will not be possible for the national economy to develop very fast in this decade. But if we complete the above tasks, we can solve the problems left over from the past and build a relatively solid basis for economic growth in the decade to follow. The 1990's will witness an all-round upsurge in China's economy which will definitely grow at a much faster rate than in the 1980's. If we publicize and explain this strategic plan adequately to the people, they will see the bright future more clearly and be inspired to work with greater drive to usher in the new period of vigorous economic growth.

In the 5 years between this party congress and the next, we shall complete the Sixth Five-Year Plan and start on the seventh. To strive for a fundamental turn for the better in China's financial and economic situation in this period means that we must, under the strategic plan outlined above, achieve significantly better economic results, a steady basic balance in finance and credit and basic stability in commodity prices. Clearly, it is of paramount importance to China's long-term economic development that we do our economic work well in these 5 years.

To bring about an all-round upsurge of China's socialist economy, we must continue to carry out in all our economic work the 10 principles for economic construction approved by the Fifth National People's Congress at its fourth session, paying special attention to solving the following major questions of principle.

First, concentrating funds on key development projects and continuing to improve the people's living standards.

To attain our strategic objective for the coming 20 years, the state must concentrate needed funds on key development projects in their order of importance and urgency. For this purpose, while endeavoring to overcome undue decentralization in the use of funds, we must bring into play the initiative of all concerned to expand production and achieve better economic results, so that the national income may rise more rapidly. In recent years, state revenues have somewhat decreased and there has been a shortage of funds for urgently needed key projects. On the other hand, funds at the disposal of local authorities and enterprises have grown greatly and have been used for many projects which may seem badly needed from a local point of view; but this inevitably makes it difficult to adequately meet the national needs and to prevent and overcome the tendency toward blindness in construction. We must realize that if key national projects are not guaranteed and if such parts of the infrastructure as energy and transport are not developed, the national economy as a whole will not prosper and the individual sectors are bound to be greatly restricted in their development. Even if there should be some growth in a given locality at a given time, it would not last because of difficulties in striking a balance between supply, production and marketing. We must firmly implant the idea of coordinating all the activities of the nation like moves on a chessboard. While continuing to enforce the present financial system and ensure the decisionmaking powers of enterprises, we must appropriately readjust, in the light of the actual conditions of the different localities and trades, the distribution of national and local revenues and the proportion of profits retained by enterprises, and we must encourage local authorities, departments and enterprises to make their funds available for the key projects most urgently needed by the state. While thus pooling funds, we must of course continue to take into consideration the needs of the localities and enterprises. If appropriate financial reserves are left at the disposal of local authorities and enterprises, it will help give scope to their initiative and enable them to embark on those projects which they are best fitted to undertake, especially as regards the technical transformation of existing enterprises. Our country has abundant resources of labor power, so we must pay close attention to increasing the investment of labor. In the rural areas, we must put their rich manpower to good use in agricultural capital construction according to their local conditions. In mining, transport and other fields, we must also stress the role of the investment of labor.

The fundamental aim of socialist production and construction is to meet continuously the growing material and cultural needs of the people. A basic principle guiding our economic work is "first, feed the people and second, build the country." The party and government have done a great deal to bring about a marked improvement in the people's livelihood in recent years. Yet on the whole the living standards remain fairly low. In some low-yield rural areas, or those hit by natural disasters, the peasants are still impoverished, and we must actively help them increase production and income. Urban people, too, still have many problems which call for solution—such as pay, employment, housing and public utilities. The state has decided to take effective measures to improve, steadily and group by group, the living and working conditions of middle-aged intellectuals, who play a backbone role in production, construction and all the other fields. Whether in town or country, living standards can rise only by increasing production, and not by cutting into funds indispensable to national construction, a course that would impair the fundamental and long-term interests of the people. Specifically, we can no longer increase peasant incomes mainly through raising the prices of farm produce or through lowering the fixed quotas of state purchases and enlarging the scope of negotiated prices. The increase of the average incomes of the workers and staff must necessarily be less than that of labor productivity. We must put a stop to the indiscriminate handing out of bonuses and subsidies without regard to the actual state of production and profit. As a matter of fact, a constant improvement in the living standards of the people is possible provided the workers and peasants enhance their understanding and make sustained efforts to raise labor productivity, lower consumption and eliminate waste. As for those problems concerning the people's daily life which can be solved by spending very little or even no money, leaders at all levels must take even more energetic measures to solve them. Concern for the well-being of the people is a fine tradition of our party, which we should never neglect.

Second, upholding the leading position of the state economy and developing diverse economic forms.

The socialist state sector occupies the leading position in the entire national economy. The consolidation and growth of the state sector are the decisive factors in ensuring that the collective economy of the working people will advance along the socialist road and that the individual economy will serve socialism. As the level of development of the productive forces in our country is on the whole still fairly low and uneven, it is necessary to maintain different economic forms for a long time to come. In rural areas, the principal economic form is the cooperative economy collectively owned by the working people. At present, the state sector alone cannot and should not run all handicrafts, industries, building industry, transport, commerce and the service trades in the cities and towns; a considerable part should be run by the collective. Cooperatives financed and run by young people and other residents have spread to many urban areas in the past few years and played a useful role. The party and government should support and guide them and forbid discrimination or attacks against them from any quarter. We must also encourage the appropriate development of the individual economy of urban and rural working people as a necessary and useful complement to the public economy, within limits prescribed by the state and under supervision by industrial and commercial administrations. Only through the rational distribution and development of diverse economic forms is it possible to invigorate the urban and rural economy and make life more convenient for the people.

To bring the initiative of enterprises and of the working people into play, we must earnestly implement a responsibility system in the operation and management of both state and collective enterprises. The responsibility system for production set up in various forms in the countryside in recent years has further emancipated the productive forces and it must be adhered to for a long time to come. The thing for us to do is to gradually perfect it on the basis of summing up the practical experience of the masses. In no case must we make rash changes against the will of the masses, still less must we backtrack. With the growth of agricultural production and the rising management ability of the peasants, demands for new types of combined management are bound to arise. We should promote various forms of interunit economic combination strictly in accordance with the principle of stimulating production and of voluntary participation and mutual benefit. It can be predicted that in the not too distant future, there will emerge in our rural areas an improved cooperative economy, with a diversity of forms, which will be able to make full use of the advantages in the light of local conditions and facilitate the large-scale adoption of advanced production measures. Recently, the economic responsibility system has also been initiated in industrial and commercial enterprises with some good results. Although industry and commerce are vastly different from agriculture, the application of the economic responsibility system (including the system of responsibility for profit or loss in some of the state enterprises) similarly helps to implement the Marxist principle of material benefit, to heighten the workers' sense of responsibility as masters of the country and to promote production. We should adopt a positive attitude to this system, earnestly sum up experience and discover and devise a set of specific rules and methods which are suited to the characteristics of industrial and commercial enterprises and which can both ensure unified leadership by the state and bring into full play the initiative of enterprises and their workers and staff members.

It is impermissible to undermine the public ownership of the means of production, which is our basic economic system. Of late, there have been cases in certain rural areas of damage to farm irrigation works, destructive lumbering and doing away with the accumulation and retention of common funds by the collective, while in some state-owned industrial and commercial enterprises, there have been such acts as violation of unified state plans, arbitrary holding back of materials earmarked for unified distribution, withholding of profits that should be turned over to the state, evasion of taxes, willful inflation of prices and blocking the flow of commodities. All such things, though done by only a small number of people, seriously impair the public economy and the interests of the state and the people, and they must be resolutely corrected.

Third, correctly implementing the principle of the leading role of the planned economy and the supplementary role of market regulation.

China has a planned economy based on public ownership. Planned production and circulation cover the main body of our national economy. At the same time, the production and circulation of some products are allowed to be regulated through the market without being planned, that is, by letting the law of value spontaneously play a regulatory role within the limits circumscribed by the state's unified plan and in the light of the specific conditions at different periods. This serves as a supplement to planned production and circulation, subordinate and secondary to it but essential and useful nonetheless. The state ensures proportionate and coordinated growth of the national economy through overall balancing by economic planning and the supplementary role of market regulation. In the past few years, we have initiated a number of reforms in the economic system by extending the powers of enterprises in planning and by giving scope to the role of market regulation. This orientation is correct and its gains are apparent. However, as some reform measures have not been well coordinated with each other and the corresponding forms of administrative work have lagged behind, cases of weakening and hampering the state's unified planning have been on the increase. This is not good for the normal growth of the national economy. Hereafter, while continuing to give play to the role of market regulation, we must on no account neglect or relax unified leadership through state planning.

In order to make the development of the economy centralized and unified as well as flexible and diversified, planning should take different forms in different circumstances. Plans of a mandatory nature must be enforced in regard to the production and distribution of capital goods and consumer goods in the state sector which are vital to the national economy and the people's livelihood, and especially in key enterprises vital to the whole economy. This is a major manifestation of China's socialist ownership by the whole people in the organization and management of production. For the sector of the economy which is owned by collectives, mandatory targets should also be assigned where necessary, as in the purchase of grain and other important agricultural and sideline products by the state on fixed quota. In addition to plans of a mandatory nature, guidance plans, whose implementation is mainly ensured by means of economic levers, should be used in regard to many products and enterprises. This is because diverse economic forms still exist in China and it is difficult to make precise estimates of the multifold and complex demands of society and of the productive capacity of a vast number of enterprises. But whether in mandatory planning or in guidance planning, we must strive to make it conform to the objective reality, constantly study changes in market supply and demand, consciously make use of the law of value and such economic levers as pricing, taxation and credits to guide the enterprises in fulfilling state plans, and give them varying degrees of powers to make decisions as they see fit. Only in this way can state plans be supplemented and improved as required and in good time in the course of their implementation. As for a number of small commodities which are low in output value, great in variety and produced and supplied only seasonally and locally, it is neither necessary nor possible for the state to control them all by planning. Enterprises may be allowed to arrange their production flexibly in accordance with the changes in market supply and demand. The state, on its part, should exercise control through policies, decrees and administration by industrial and commercial offices and should help those enterprises with the supply of certain important raw and semifinished materials.

Correct application of the principle of ensuring the leading role of planned economy supplemented by market regulation is of fundamental importance to the reform of China's economic systems. We must correctly define the respective scope and limits of mandatory plans, guidance plans and market regulation and, on the premise that basic stability of commodity prices is maintained, gradually reform the pricing system, price control measures and the labor and wage systems, and establish an economic administrative system suited to China's conditions so as to ensure the healthy growth of the national economy.

Whether commercial work is done well or badly has a direct bearing on industrial and agricultural production and the people's standard of living, and the importance of this truth has become increasingly manifest in China's economic growth. At present, our commercial networks, establishments and facilities are far from adequate, there are too many intermediate links, market forecasting is weak, and many problems related to ideas about business operation and to management remain to be solved. After acquiring all relevant information and earnestly summing up experience, we must effectively improve our commercial work and unclog, broaden and multiply the channels of circulation so that commodities can flow freely, materials are put to good use and commerce can play its full role in stimulating and guiding production and in ensuring supply and invigorating the economy.

Fourth, persevering in self-reliance while expanding economic and technological exchanges with foreign countries.

It is our firm strategic principle to carry out the policy of opening to the outside world and expand economic and technological exchanges with foreign countries in accordance with the principles of equality and mutual benefit. We must speed the entry of Chinese products into the world market and vigorously expand foreign trade. We must as far as possible make more use of foreign funds available for our national construction. To this end, it is necessary to do all the required preparatory work well and make proper arrangements with regard to the necessary domestic funds and supporting measures. We must actively import advanced technologies suited to our national conditions, particularly those helpful to the technical transformation of our own enterprises, and strive to absorb and develop them in order to promote our production and construction.

In our efforts for socialist modernization, we must take a self-reliant stand, relying mainly on our own hard work. There must be no wavering whatsoever in this respect. Our aim in expanding economic and technological exchanges with foreign countries is to enhance our ability to be self-reliant and to promote, and certainly not to impair, the development of our national economy. We must refrain from indiscriminate import of equipment, and particularly of consumer goods that can be manufactured and supplied at home. In our economic relations with foreign countries, on the premise of unified planning and policy and coordinated action, we must stimulate the initiative of various localities, departments and enterprises in their foreign business dealings while at the same time opposing all acts detrimental to the interests of our country and people. In no circumstances must we forget that capitalist countries and enterprises will never change their capitalist nature simply because they have economic and technological exchanges with us. While pursuing the policy of opening to the outside, we must guard against, and firmly resist, the corrosion of capitalist ideas and we must combat any worship of things foreign or fawning on foreigners.

Comrades! Lenin said that living creative socialism is the product of the masses themselves.[1] Beyond all doubt, it would be impossible for the cause of socialist construction to forge ahead without the soaring labor enthusiasm of the masses in their hundreds of millions, without the initiative of thousands of production units and without the hard work of various localities and departments. To yield the best results, all our economic work, principles, policies, plans and measures must be based on overall arrangement, on taking into consideration the interests of the state, the collective and the individual and on fully arousing and scientifically organizing the initiative of the central authorities, the localities, departments, enterprises and the working people. This is the most important way to bring about an all-round upsurge in the socialist economy. We are confident that the people of all our nationalities will surely exert themselves with one heart and one mind for the realization of the great goal of our country's economic development.

III. Strive To Build a High Level of Socialist Spiritual Civilization

From the time that the party shifted the focus of its work to the modernization of China's economy, the Central Committee has proclaimed on many occasions that while working for a high level of material civilization, we must strive to build a high level of socialist spiritual civilization. This is a strategic principle for building socialism. The history of socialism and the present situation in China both tell us that the success or failure of socialism depends on whether or not we adhere to this principle.

Spiritual civilization is closely interrelated with material civilization in socialist construction. As Marx put it, in their productive activity to transform the world, "the producers themselves change, they evolve new qualities, by producing they develop and transform themselves, acquire new powers and new conceptions, new modes of intercourse, new needs, and new speech."[2] Comrade Mao Zedong, too, pointed out that the proletariat and other revolutionary people face a twofold task in their struggle for the transformation of the world: "To change the objective world and, at the same time, their own subjective world."[3] The objective world comprises nature and society. The transformation of society results in the establishment and development of new relations of production as well as a new sociopolitical system. The transformation of nature results in material civilization, as manifested in improved conditions for material production and in a better material life for the people. In the process of transforming the objective world, people also transform their subjective world, and the production of spiritual values and the spiritual life of society also develop. The latter achievement is what we call the spiritual civilization, as manifested in a higher educational, scientific and cultural level and in higher ideological, political and moral standards. The transformation of society or the progress of a social system will ultimately find expression in both material and spiritual civilization. As our socialist society is still in its initial stage, it is not yet highly developed materially. However, the establishment of the socialist system makes it possible for us to build a high level of socialist spiritual civilization while striving for a high level of material civilization, just as the development of a modern economy to a certain level and the appearance of the most advanced class of our time, the working class, and its vanguard, the Communist Party, make it possible to succeed in socialist revolution. Material civilization provides an indispensable foundation for socialist spiritual civilization which, in its turn, gives a tremendous impetus to the former and ensures its correct orientation. Each is the condition and objective of the other.

Socialist spiritual civilization constitutes an important characteristic of the socialist system and a major aspect of its superiority. In the past, when referring to the characteristics of socialism, people laid stress on the elimination of the system of exploitation, public ownership of the means of production, distribution according to work, planned and proportionate development of the national economy, and political power of the working class and other working people. They also laid stress on another characteristic of socialism, the high development of the productive forces and a labor productivity higher than that under capitalism as both a necessity and the end result of the development of socialism. All this is undoubtedly true, but it does not cover all the characteristics. Socialism must possess one more characteristic, that is, socialist spiritual civilization with communist ideology at its core. Without this, the building of socialism would be out of the question.

Communism as a social system can be completely realized in our country only through the protracted, arduous struggle of several generations. However, communism is above all a movement. Marx and Engels said: "We call communism the real movement which abolished the present state of things."[4] The final objective of this movement is the realization of communism as a social system. In our country, the spread of communist ideas and the movement for the ultimate realization of the ideal of communism began long ago when the Communist Party of China was founded, and continued during the new-democratic revolution which it led. This movement has now brought about a socialist society, which is the first phase of communism. As far back as the democratic revolution, Comrade Mao Zedong pointed out that the program of the Chinese Communist Party in regard to China's social system comprised two stages, the present and the future. "For the present period, new democracy, and for the future, socialism; these are two parts of an organic whole guided by one and the same communist ideology." He added: "Communism is at once a complete system of proletarian ideology and a new social system.... Without communism to guide it, China's democratic revolution cannot possibly succeed, let alone move on to the next stage."[5] Therefore, communist ideas and actions have long been part of our actual life. The view that communism is but a "dim illusion" and that it "has not been tested in practice" is utterly wrong. There is communism everywhere in our daily life, of which it forms an inseparable part. Inside and outside our party, there are so many heroic and exemplary people, so many who are ready to give their all, including their very lives, for the realization of revolutionary ideals. Do they do all this for material rewards? Does not a lofty communist spirit guide them? Socialism is advancing steadily toward the goal of its higher phase--communism. This advance depends not only on the increase of material wealth but also on the steady growth of peoples' communist consciousness and revolutionary spirit.

True, at the present stage, we must in our economic and social life persist in the system of "to each according to his work" and other socialist systems, and we cannot of course expect every member of our society to be a communist, but we must demand that the party members, the Communist Youth League members and all other advanced elements acquire communist ideology, and we must, through their instrumentality, educate and influence the broad masses. If the great task of building a socialist spiritual civilization guided by communist ideology is overlooked, people will fall into a one-sided understanding of socialism and direct their attention exclusively to the building of material civilization or even only to the pursuit of material gains. In that case, we will not be able to safeguard the socialist orientation of China's modernization, and our socialist society will lose its ideals and objectives, its spiritual motivation and fighting will, lose the ability to resist the inroad of corrupt influences and even develop distortedly and degenerate. Comrades, this is not just alarmist talk but a conclusion drawn from present realities at home and abroad. It is from this high theoretical and political vantage point that we must recognize the significance and role of socialist spiritual civilization and make up our minds to do our utmost to ensure the building of both a material and a spiritual civilization so that our socialist cause will forever retain its revolutionary youth and vigor.

Roughly speaking, socialist spiritual civilization consists of two aspects, the cultural and the ideological, permeating and promoting each other.

The cultural aspect refers to the development of undertakings such as education, science, art and literature, the press and publication, broadcasting and television, public health and physical culture, and libraries and museums, as well as the raising of the level of general knowledge of the people. It is an important requisite both for the building of a material civilization and for the raising of people's political consciousness and moral standards. Cultural development also includes mass recreational activities which are healthy, pleasant, lively and varied so that, after a spell of hard work, people may refresh themselves with entertainments that are in good taste. All our cultural construction must, of course, be guided by communist ideology. In the past, owing to the influence of "left" ideas and the small-producer mentality, erroneous views such as underestimation of the importance of education, science and culture and discrimination against intellectuals were rife in our party over a fairly long time. They seriously hindered the building of material and spiritual civilization in our country. In recent years, we have made great efforts to eliminate these wrong views. We are determined gradually to step up cultural development so that it will no longer lag behind economic growth. We have worked hard to carry out the party's policy concerning intellectuals and to enable the whole party and all society to realize that, like workers and peasants, intellectuals are a force we must rely on in building socialism. We are determined to do everything possible to create favorable conditions in which the mass of intellectuals can work with ease of mind and in high spirits in the interest of the people. In this regard, there is still a good deal of painstaking ideological and organizational work to do.

Universal education is an important precondition for building material and spiritual civilization. In 1980, the party's Central Committee and the State Council took the decision that universal primary education in various forms must in the main be achieved by 1990 and, in areas where the economy and education are more developed, this should be done earlier. In China's vast rural areas, this is an arduous task, but it can be done through unremitting efforts, and must be done, for the sake of the development of agriculture and of the rural areas. Teachers in schools of all levels, and especially rural primary school teachers, are engaged in extremely arduous but truly noble work. On their efforts depends the moral, intellectual and physical development of the next generation of our citizens. We must make sure that the whole society respects and energetically supports them in their noble endeavors. Development plans and goals for other cultural undertakings covering the next 5 to 10 years should also be worked out.

The socialist character of our spiritual civilization is determined by ideological education. This consists mainly of the following: The working-class world outlook and scientific theory of Marxism; communist ideals, beliefs and moral values; the outlook of being masters of the country and collectivism which correspond with the system of socialist public ownership; a concept of rights and duties and a sense of organization and discipline which correspond with the socialist political system; devoted service to the people and a communist attitude toward work; and socialist patriotism and internationalism. In essence, it consists of, above all, revolutionary ideals, morality and discipline. All party members and other advanced persons in our society must continuously propagate advanced ideas and set an example by their own deeds so as to inspire more and more members of our society to become working people with lofty ideals, moral integrity, education and a sense of discipline.

We must try not only to help every member of our society to acquire a broader mental outlook but also to establish and develop throughout its ranks the new type of social relations which embody socialist spiritual civilization. These relations find expression in solidarity, friendship and mutual assistance in common struggle and common progress among all our nationalities, between the workers, peasants and intellectuals, the cadres and the masses, the army and the people, the army and the government, and among the people in general. Lenin has pointed out that it will take many decades to create new forms of social ties between people and that this is a most noble work.[6] We can say with full confidence that, relying on our long revolutionary tradition and proceeding from the foundations already laid for this work, we shall certainly be able to foster and develop such new social ties.

To build a socialist spiritual civilization is a task for the whole party and the common task of our people in all fields of endeavor. Ideological education in the party is the pillar of the building of spiritual civilization in the whole society, and party members should, first of all, play an exemplary role morally and ideologically. Ideological and political workers, workers in culture, in the sciences and in education of all types and levels from kindergartens to graduate schools--all shoulder especially heavy responsibilities in building a socialist spiritual civilization. In particular, the Communist Party members among them must unite in thought and deed so as to organize a mighty contingent of militant ideological workers able to persuade and act as a magnet for others. It is necessary to do more to educate the masses of the people, and first of all the cadres and youth, in Marxism-Leninism and Mao Zedong Thought, in the history of our motherland, and especially its modern history, in the program, history and revolutionary tradition of our party; and in the constitution of our country, the rights and duties of citizens and civic morality. It is necessary to do more to educate people of all trades and lines of work in professional responsibility, ethics and discipline. Education in all the areas enumerated above should be closely related to reality and conducted in vivid and varied ways. In formulating and implementing policies and in all their work, leading cadres in the economic field at various levels should concern themselves not only with the development of production but also with the building of a socialist spiritual civilization. In production and construction, we should try not only to turn out more and better material products, but also train successive generations of socialist-minded people of a new type. We must not allow our policies or work in any field to impede or, still worse, to undermine the building of a socialist spiritual civilization. In the past year or so, mass activities for building such a civilization have been unfolded in the People's Liberation Army and among the people in general. Relevant rules have been formulated for students in schools and for workers and staff members in enterprises, and written pledges have been drawn up by city residents, rural commune members and people in various trades and professions. All these activities have begun to yield gratifying results. We call on every locality and department to promote and persist in them. We must explore all possible ways and adopt all possible effective measures to promote education in ideals, morality and discipline among the entire population, and first of all among the youth, within the next 5 years. This is essential to our endeavor to bring about a fundamental turn for the better in standards of social conduct. From now on, when checking up on the work of any locality, department or unit, the Central Committee and the local party committees at all levels must take into consideration not only its material side, but also its spiritual side. Every citizen should perform his duties and abide by social morality and professional ethics. Every working person should contribute his share to the building of socialist spiritual civilization.

To build it is no easy task, particularly at the present moment. In the years of the revolutionary wars and those immediately following the founding of the People's Republic, our material life was much harder than it is today, but all party members and the people as a whole were full of vigor. The decade of domestic turmoil confounded the criteria of right and wrong, good and evil, and beauty and ugliness. It is much more difficult to undo its grave spiritual consequences than its material ones. For this and other reasons, many serious problems concerning standards of social conduct now exist in our country. The Central Committee of the party is determined to effect a fundamental turn for the better in standards of social conduct in the next 5 years. This includes, in the main, the achievement of markedly better public order, generally improved attitudes toward all types of work and a marked decline in the crime rate. It also means putting an effective check on, and arousing universal contempt for, such unhealthy tendencies and practices as benefiting oneself at others' expense, pursuing private interests at the expense of public interests, loving ease and despising work, putting money first in everything, unscrupulous pursuit of personal enjoyment, and attempting to isolate and attack advanced elements. It also includes resolutely eliminating all the vile social evils which had been stamped out long ago by new China but have now cropped up again. We must do our utmost to adapt ourselves to the new conditions and developments in the period of construction, do a good job of building socialist spiritual civilization and arouse, with revolutionary ideas and revolutionary spirit, the immense enthusiasm of the broad masses for building socialism.

IV. Strive To Attain a High Level of Socialist Democracy

The steady development of socialist democracy provides the guarantee and support for the building of socialist material and spiritual civilization. To attain a high level of socialist democracy is therefore one of our fundamental goals and tasks.

Our state system is the people's democratic dictatorship. On the one hand, it ensures that the working people, the overwhelming majority of the population, are the masters of the state; on the other, it exercises dictatorship over a tiny minority of hostile elements who try to undermine socialism. Socialism is the common cause of the whole people. Only with a high level of socialist democracy will it be possible to develop all our undertakings in accordance with the will, interests and needs of the people, to enhance the people's sense of responsibility as masters and give full play to their initiative and enthusiasm, and to exercise effective dictatorship over the handful of hostile elements, in order to ensure the smooth progress of socialist construction.

Socialist democracy is incomparably superior to bourgeois democracy. Much time and work are needed to establish the system of socialist democracy and foster democratic ways. What we did in this respect was far from adequate and, moreover, was seriously undermined during the "Cultural Revolution." In recent years, socialist democracy has been restored and developed to some extent in our country. We must continue to reform and improve our political institutions and system of leadership in accordance with the principle of democratic centralism so that the people are better able to exercise state power and the state organs can lead and organize the work of socialist construction more effectively. Socialist democracy should be extended to all spheres of life: political, economic, cultural and social; and it is necessary to extend democratic management to all enterprises and institutions and encourage self-management of community affairs by the masses at the grassroots level. Democracy should serve as a means by which the masses educate themselves. It is necessary to establish a relationship of equality between man and man and a correct relationship between the individual and society in accordance with the principles of socialist democracy. The state and society guarantee legitimate freedom and rights to the citizens, who should in turn perform their duties to the state and society. While exercising their freedom and rights, citizens must not impair the interests of the state, society and the collective, or the freedom and rights of others. While we strive to develop socialist democracy, all our measures must help to consolidate the socialist system and promote social production and work in other fields. On no account will hostile, antisocialist elements be given any freedom to carry out sabotage.

We must closely link the building of socialist democracy with that of the socialist legal system so that socialist democracy is institutionalized and codified into laws. In the past few years, notable progress has been made in building our legal system. Under the party's leadership, the state has enacted a series of important laws, including the criminal law, the law of criminal procedure, the draft law of civil procedure for trial implementation and the new marriage law. It is especially noteworthy that the draft constitution, soon to be submitted to the National People's Congress for adoption, contains many new and very important stipulations formulated in the light of the achievements scored and the principles worked out in developing socialist democracy since the 3d Plenary Session of the 11th Central Committee. The adoption of this constitution will mark a new stage in the development of China's socialist democracy and legal system. The problems facing us today are that not only a sizable number of nonparty people but also many party members, including some leading cadres, do not have an adequate understanding of the importance of building the legal system and that laws already enacted are in some cases not fully observed or enforced. This situation must be resolutely corrected. The party will continue to lead the people in making and improving various laws, strengthen its leadership over the work of public security, the procuratorate and the judiciary and ensure in every way that these departments enforce the laws strictly. Moreover, through our publicity work we should repeatedly educate the whole people in the importance of the legal system and include instructions in the laws in all the teaching programs from primary schools to colleges, so that every citizen may know the laws and abide by them. In particular, party members should be educated and urged to take the lead in observing the constitution and laws. The stipulation in the new party constitution that "the party must conduct its activities within the limits permitted by the constitution and the laws of the state" embodies a most important principle. It is impermissible for any party organization or member, from the Central Committee down to the grassroots, to act in contravention of the constitution and laws. The party is part of the people. It leads them in making the constitution and laws which, once adopted by the supreme organ of state power, must be strictly observed by the whole party.

Further promotion of the socialist relations of equality, unity and mutual assistance among all our nationalities constitutes an important aspect of the building of socialist democracy in our country. The Central Committee has in the past few years made a number of significant decisions on the nationalities question and achieved marked successes in correcting "left" errors committed during and before the "Cultural Revolution" and in restoring good relations among China's nationalities. In the light of conditions in this new historical period and the specific circumstances of various nationalities, the Central Committee has adopted many policies helpful to economic and cultural development in the minority nationality areas, to the realization of their right to regional autonomy, and to strengthening of unity among all our nationalities. These policies will have to be further improved and developed. Unity, equality and common prosperity among the nationalities are of vital importance to the destiny of China as a multinational country. The whole party must acquire a better understanding of the nationalities question, oppose great-nation chauvinism, primarily Han chauvinism, and at the same time oppose local-nationality chauvinism. We must educate all party members to strive to fulfill the task of the party in regard to the nationalities.

In the period of the democratic revolution, the united front was an important "magic weapon" for winning victory in our revolution. In the period of socialist construction it still plays a major role. With regard to all China's democratic parties, nonparty democrats, national minority personages and patriots in the religious circles, our party will continue to adhere to the policy of "long-term coexistence and mutual supervision" and the principle of "treating each other with all sincerity and sharing weal or woe," and strengthen our cooperation with them. We must do everything possible to strengthen the broadest patriotic united front embracing all socialist working people and all patriots who support socialism or who support the reunification of the motherland, including our compatriots in Taiwan, Xianggang (Hong Kong) and Aomen (Macao) and Chinese nationals residing abroad.

Correct understanding and handling of the class struggle that still exists in China today is the key to guaranteeing the democratic rights of the overwhelming majority of the people and exercising effective dictatorship over the handful of hostile elements. Hostile elements of different shades are still attempting to undermine or overthrow our socialist system in the economic, political, ideological, cultural and other social spheres. The class struggle at the present stage chiefly takes the form of struggle by the people against these hostile elements. The Central Committee has repeatedly pointed out that following the elimination of the exploiting classes as such, most contradictions in our society do not have the nature of class struggle, and class struggle no longer constitutes the principal contradiction. It is wrong, in a socialist society where the system of exploitation has been abolished and the exploiting classes have been eliminated, to declare and act on the principle of "taking class struggle as the key link." We must be very careful in distinguishing and handling contradictions between the enemy and the people and those within the ranks of the people, so as to avoid repeating the past mistake of enlarging the scope of class struggle. However, within certain limits, class struggle will continue to exist for a long time and may even sharpen under certain conditions. This is not only because pernicious influences left over by the exploitative systems and classes cannot be eradicated within a short time, but also because we have not yet achieved our goal of reunifying our motherland and still live in a complicated international environment in which the capitalist forces and other forces hostile to our socialist cause will seek to corrupt us and harm our country. Our economy and culture are still quite backward and our young socialist system is imperfect in many ways, so that it is not yet possible to prevent in all cases the degeneration of some members of our society and party or block the emergence of a few exploiting and hostile elements. Therefore, we must prepare ourselves mentally for a long-term struggle, see to it that the state of the people's democratic dictatorship exercises its function of dictatorship over enemies, and uphold the Marxist class viewpoint in handling the current social contradictions and other social phenomena that have the nature of class struggle. This is the basic principle of the Central Committee with regard to the question of the class struggle in China at the present stage.

Our struggle against grave criminal offenses in the economic sphere is now being intensified. Among those guilty of such crimes, apart from lawbreakers in society at large, are a tiny number of degenerates in party and government organizations and in the armed forces who have been corrupted by capitalist ideology. They cause tremendous damage to economic construction, upset social stability, debase the standards of social conduct and corrupt people's minds and life. They are termites undermining the edifice of socialism. Similar destructive activities occur in the political and cultural spheres as well. We must on no account rank all these things with the common run of offenses or antisocial acts, because they are important manifestations of class struggle under the new historical conditions in which we are pursuing a policy of opening to the outside and taking flexible measures to invigorate our economy domestically. Such destructive elements must be severely punished by law. We have won some initial successes in this struggle. The whole party must enhance its understanding of this struggle, take a firm stand in it and unswervingly carry it through to the end. This will be an important guarantee for our adherence to the socialist road.

In the new period of the development of our socialist cause, we must attend, both in ideology and in action, to two aspects. On the one hand, we must persist in the policy of opening to the outside as well as in our policies for invigorating the economy domestically and, on the other, we must resolutely strike at the grave criminal activities in the economic, political and cultural spheres that endanger socialism. It would be wrong to attend only to the latter aspect and be skeptical about the former, and it would be dangerous to stress the former aspect to the neglect of the latter. All party comrades must have a clear understanding of this principle without the slightest ambiguity.

Our socialist construction is taking place in a very unstable world in which our national security is under grave threat. In these circumstances, we must never relax our vigilance, but must strengthen our national defense on the basis of vigorous economic development. We must work hard to turn the People's Liberation Army into a regular, modern and powerful revolutionary armed force and enhance its defense capabilities in modern warfare. We must continue to maintain and carry forward the fine traditions of our peoples' armed forces, and strengthen and improve their ideological and political work, so that every member will have a lofty spirit of self-sacrifice, strong sense of discipline and revolutionary style of work and that our army will serve not only as a Great Wall of steel guarding our socialist motherland but also as an important force in building our socialist material and spiritual civilization. We must continue to strengthen the militia. The Chinese People's Liberation Army is a people's armed force created and led by the Chinese Communist Party. After the new draft constitution is discussed and adopted by the forthcoming National People's Congress, the Central Committee will continue to exercise leadership over our armed forces through the State Central Military Commission which is due to be set up. We must stick to the successful practices which the party has long followed in leading the armed forces. This conforms to the supreme interests of the whole nation. We are convinced that, under the leadership of the Central Committee and through the efforts of all the commanders and fighters and the people of all nationalities, our national defense will become still stronger, thus providing a surer guarantee that the whole nation will be able to devote its full energy to socialist construction.

V. Adhering to an Independent Foreign Policy

China's future is closely bound up with that of the world as a whole. The successes China has achieved in its revolution and construction provide a powerful support to the world's movement for progress and a bright future, and conversely, our successes would have been impossible without the struggles of the people of other countries for a bright future. China has received help from other countries and peoples, and in turn has helped others. In the early years of our People's Republic, Comrade Mao Zedong pointed out: "Our general task is to unite the whole people and win the support of all our friends abroad in the struggle to build a great socialist country, defend world peace and advance the cause of human progress."[7] Integration of patriotism with internationalism has always been our basic point of departure in handling our external relations.

Being patriots, we do not tolerate any encroachment on China's national dignity or interests. Being internationalists, we are deeply aware that China's national interests cannot be fully realized in separation from the overall interests of mankind. Our adherence to an independent foreign policy accords with the discharging of our lofty international duty to safeguard world peace and promote human progress. In the 33 years since the founding of our People's Republic, we have shown the world by deeds that China never attaches itself to any big power or group of powers, and never yields to pressure from any big power. China's foreign policy is based on the scientific theories of Marxism-Leninism and Mao Zedong Thought, and it proceeds from the fundamental interests of the people of China and the rest of the world. It follows an overall long-term strategy, and is definitely not swayed by expediency or by anybody's instigation or provocation. Because we have firmly applied the basic principles of our foreign policy formulated by the late Comrades Mao Zedong and Zhou Enlai, socialist new China has gained prestige, made friends throughout the world and maintained its dignity in its relations with foreign countries.

The five principles of mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in each others' internal affairs, equality and mutual benefit, and peaceful coexistence have consistently guided China in its effort to develop relations with other countries. Having suffered aggression and oppression for over a century, the Chinese people will never again allow themselves to be humiliated as they were before, nor will they subject other nations to such humiliation. The founding of our People's Republic has removed the social causes both of China's submission to foreign aggression and of any possibility of China committing aggression abroad. Frederick Engels said: "A nation cannot become free and at the same time continue to oppress other nations."[8] This is an incontestable truth. We Marxist-Leninists are convinced that communism will ultimately be realized throughout the world. However, revolution cannot be exported but can occur only by the choice of the people of the country concerned. It is on the basis of this understanding that we have always abided by the five principles of peaceful coexistence. We do not station a single soldier abroad, nor have we occupied a single inch of foreign land. We have never infringed upon the sovereignty of another country, or imposed an unequal relationship upon it. In no circumstances will we seek hegemony.

The five principles of peaceful coexistence are applicable to our relations with all countries, including socialist countries. On the basis of these principles we have in the past 33 years established diplomatic relations with 125 countries. With the friendly socialist countries of Korea, Romania and Yugoslavia, we maintain close cooperation and are steadily strengthening and developing ties of unity and friendship. China and many other developing countries in Asia, Africa and Latin America sympathize with and support one another, and have enhanced their cooperation in all fields. Many Western countries have social systems different from China's, yet we share a common desire to safeguard world peace and a common interest in developing our economic and cultural cooperation, for which the potentials are great, and we have maintained good relations over the years. The past few years have also seen some development in our relations with East European countries.

Japan is China's neighbor. Since ancient times, there have been frequent exchanges and a profound friendship between the Chinese and Japanese peoples. But, during a hundred years of modern history, the Japanese militarists unleashed one war of aggression after another against China, inflicting colossal calamities on the Chinese people and grievous damage on the Japanese people themselves. Thanks to long years of joint efforts made by the Chinese and Japanese peoples, state relations were eventually normalized 10 years ago. The development of relations of peace and friendship, equality and mutual benefit, and prolonged stability between China and Japan is in accord with the long-term interests of the two peoples and conducive to the peace and stability of the Asian-Pacific region. Now some forces in Japan are whitewashing the past Japanese aggressions against China and other east Asian countries and are carrying out activities for the revival of Japanese militarism. These dangerous developments cannot but put the people of China, Japan and other countries sharply on the alert. Together with the Japanese people and with far-sighted Japanese public figures in and out of government, we will work to eliminate all hindrances to the relations between our two countries and make the friendship between our two peoples flourish from generation to generation.

Since the establishment of diplomatic ties between China and the United States of America in 1978, relations between the two countries have developed in the interests of the two peoples. We have always hoped that these relations will continue to grow, and consider this beneficial to our two peoples and to world peace. However, a cloud has all along hung over the relations between the two countries. This is because the United States, despite having recognized that the Government of the People's Republic of China is China's sole legal government and that there is only one China and Taiwan is part of China, has passed the Taiwan Relations Act which contravenes the principles embodied in the joint communique on the establishment of diplomatic relations, and it has continued to sell arms to Taiwan, treating Taiwan as an independent political entity. As the Chinese Government has repeatedly stated, these are acts of infringement on China's sovereignty and of interference in China's internal affairs. Not long ago, after nearly a year of talks, the Chinese and U.S. Governments issued a joint communique providing for a step-by-step solution of the question of U.S. arms sales to Taiwan, leading to a final thorough settlement.

We hope that these provisions will be strictly observed. Sino-U.S. relations can continue to develop soundly only if the principles of mutual respect for sovereignty and territorial integrity and noninterference in each other's internal affairs are truly adhered to.

The relations between China and the Soviet Union were friendly over a fairly long period. They have become what they are today because the Soviet Union has pursued a hegemonist policy. For the past 20 years, the Soviet Union has stationed massive armed forces along the Sino-Soviet and Sino-Mongolian borders. It has supported Vietnam in the latter's invasion and occupation of Kampuchea, acts of expansion in Indochina and Southeast Asia and constant provocations along China's border. Moreover, it has invaded and occupied Afghanistan, a neighbor of China, by force of arms. All these acts constitute grave threats to the peace of Asia and to China's security. We note that Soviet leaders have expressed more than once the desire to improve relations with China. But deeds, rather than words, are important. If the Soviet authorities really have a sincere desire to improve relations with China and take practical steps to lift their threat to the security of our country, it will be possible for Sino-Soviet relations to move toward normalization. The friendship between the Chinese and Soviet peoples is of long standing, and we will strive to safeguard and develop this friendship, no matter what Sino-Soviet state relations are like.

The main forces jeopardizing peaceful coexistence among nations today are imperialism, hegemonism and colonialism. True, the old system of colonialism has disintegrated with the successive winning of independence by nearly a hundred former colonial and semicolonial countries. Yet its remnants are far from being eliminated. The superpowers that practice hegemonism pose a new threat to the people of the world. In their pursuit of global domination, the superpowers have been contending on a worldwide scale with military power far exceeding that of any other countries. This is the main source of instability and turmoil in the world. The most important task for the people of the world today is to oppose hegemonism and safeguard world peace. Due to the rivalry between the superpowers, the danger of a world war is growing ever greater. However, experience shows that the people of the world, by persevering in struggle, can upset the strategic plans of the superpowers. World peace can be safeguarded, provided the people truly unite and fight resolutely against all expressions of hegemonism and expansionism. We have always firmly opposed the arms race between the superpowers, stood for the prohibition of the use of nuclear weapons and for their complete destruction and demanded that the superpowers be the first to cut their nuclear and conventional arsenals drastically. We are against the world war being fomented by the superpowers and also against all the local wars of aggression which they instigate or back. We have always firmly supported all victim countries and peoples in their struggle against aggression. We support the Korean people in their struggle to reunify their fatherland. We support the Kampuchean people led by the Coalition Government of Democratic Kampuchea in their struggle against Vietnamese aggression. We support the people of Afghanistan in their struggle against Soviet aggression. We support the African people in their struggle against South Africa's racism and expansionism. We strongly condemn Israel for its heinous aggression and atrocities against the people of Palestine and Lebanon. With support and protection from the U.S. hegemonists, Israel has outrageously occupied Palestine and carried out repeated armed aggression against Arab countries, posing a grave threat to peace in the Middle East and the world as a whole. We continue our resolute support for the Palestinian people in their struggle to return to their homeland and to found their own state and for other Arab peoples in their struggle against Israeli expansionism.

Socialist China belongs to the Third World. China has experienced the same sufferings as most other Third World countries, and it is faced with similar problems and tasks. China regards it as its sacred international duty to struggle resolutely against imperialism, hegemonism and colonialism together with the other Third World countries.

The emergence of the Third World on the international arena after World War II is a primary event of our time. It has changed the United Nations from a mere voting machine manipulated by certain big powers into a forum where imperialism, hegemonism and expansionism are often justly condemned. The struggle initiated by Latin American countries against the maritime hegemony of the superpowers and the struggles of the petroleum exporting countries and other raw material producing countries for permanent sovereignty over their own natural resources, the struggle of the non-aligned countries against power politics and bloc politics and the struggles of the developing countries for the establishment of a new international economic order--all these struggles have converged into a mighty current of forces upholding justice in our time and greatly changed the situation in which the superpowers could willfully manipulate the fate of the world.

The common task confronting the Third World countries is, first and foremost, to defend their national independence and state sovereignty and actively develop their national economies so that they can back up the political independence they have already won with economic independence. Here, mutual aid among Third World countries is of particular importance. We Third World countries have vast territories, large populations, immense resources and extensive markets. Some of us have accumulated considerable funds, and many have acquired their own distinctive technologies and gained experience in developing their national economies which the others can learn from. Our mutual economic cooperation, commonly known as "South-South cooperation," is no less effective than our cooperation with developed countries so far as some kinds of our technology and equipment are concerned in meeting mutual needs. Such cooperation is of great strategic significance, as it helps us to break out of the existing unequal international economic relations and establish the new international economic order.

China is still a developing country, but we have always done our best to help other Third World countries, with whom we share a common destiny. The Chinese people have always spurned attitudes and actions of despising the poor and currying favor with the rich, bullying the weak and fearing the strong. Our friendship with other Third World countries is sincere. Whether in providing aid or cooperating for mutual benefit, we have always strictly respected the sovereignty of the other party, attaching no strings and demanding no privileges. As our economy grows, we will steadily expand our friendly cooperation with other countries and peoples of the Third World.

We are deeply disturbed by the discords, going as far as armed conflicts, that have occurred between some Third World countries. They often cause heavy losses to both sides and at times allow the hegemonists to pick up easy gains. We always work for increased unity among the Third World countries in the hope that the parties to such disputes will resolve them through consultations and avoid any results that grieve friends and gladden enemies.

Here I would especially like to discuss the question of relationships between the Communist Party of China and those of other countries. Our party develops its relations with other communist or working-class parties in strict conformity with Marxism and the principles of independence, complete equality, mutual respect and noninterference in each other's internal affairs.

The success of the revolution in any country depends on the ripeness of conditions for it and the people's support for the line and policies of that country's communist party. Communist parties should of course help each other, but it is absolutely impermissible for any of them to issue orders or run things for others from the outside. Any attempt by one party to impose its views on other parties or interfere in their internal affairs can only lead to setbacks or failures in the revolutions of the countries concerned. As for the practice of one party compelling other parties to make their policies serve its own party and state policies, or even resorting to armed intervention in other countries, it can only undermine the very foundation of the international communist movement.

The communist parties of all countries are equal. Whether large or small, long or short in their history, in power or out of power, they cannot be divided into superior and inferior parties. Our party has suffered from the attempt of a self-elevated paternal party to keep us under control. As is commonly known, it is through resisting such control that our independent external policy has won its successes.

We hold that all communist parties should respect each other. Each party has its strong and weak points. Being situated in different circumstances, all parties cannot be expected to hold completely identical views on the assessment of situations and on their own tasks. Their differences of opinion can only be resolved gradually through friendly consultations and patiently giving each other time. We are in favor of all communist parties learning from each other's successes and failures, believing that this will help the international communist movement to grow and flourish.

On the principles mentioned above, our party has maintained friendly relations with many other communist parties. We sincerely appreciate their support and help and are conscientiously learning from their experience whatever can be of help to our revolution and construction. And we wish to establish similar contacts with a greater number of progressive parties and organizations. Setting store by their friendship with the people of other countries, the Chinese people have developed extensive contacts with them. In the final analysis, steadily increasing understanding and cooperation among the people of all countries is the basic guarantee of progress and a bright future for the world.

Being a large country with a population of 1 billion, China ought to make a greater contribution to the world community, and it is only natural that people place hopes on us. Yet what we have accomplished falls far short of what we ought to have done. We will redouble our efforts to step up our construction so as to play our due role in safeguarding world peace and promoting human progress.

VI. Make the Party a Strong Leading Core, the Cause of Socialist Modernization

History has entrusted our party with heavy responsibilities in the great undertaking of China's socialist modernization. In order to step up party building in the new period, we have made many fundamental changes in the party constitution adopted by the 11th national congress. The general principle guiding the revision of the party constitution is to set more exacting demands on party members, enhance the fighting capacity of the party organizations and uphold and improve party leadership, all in conformity with the characteristics and needs of the new historical period. As required by the new constitution, we must strive to build the party and make it a strong leading core for the cause of socialist modernization.

The draft of the revised party constitution now submitted to this congress for its consideration has discarded the "left" errors in the constitution adopted by the 11th congress, and carries forward the merits of the party constitutions passed respectively by the 7th and 8th congresses. The general program section in the draft constitution includes Marxist definitions concerning the character and guiding ideology of the party, the principal contradiction in our society at the present stage and the general task of the party, and the correct way for the party to play its leading role in the life of the state. The ideological, political and organizational requirements this draft constitution sets for party members and cadres are stricter than those in all our previous constitutions. In stipulating the duties of party members, the draft absolutely forbids them to use public office for personal gain or to benefit themselves at the expense of the public interests, and requires that they firmly oppose factionalism and be bold in backing good people and good deeds and in opposing bad people and bad deeds. It sets forth as basic requirements for leading cadres at all levels that they correctly implement the party's line, principles and policies, oppose erroneous tendencies inside and outside the party, have the professional knowledge and organizational ability needed for competent leadership, and adhere to party principles in struggling against all abuses of power and pursuit of personal gain. Most of these are additions, not found in the previous constitutions. In the light of our historical experience and lessons, the draft constitution emphasizes that all party organizations from the central down to the primary level must strictly observe the principles of democratic centralism and collective leadership, and it explicitly stipulates that the party "forbids all forms of personality cult." It makes many new provisions for improving the systems of the central and local organizations, tightening party discipline, reinforcing the discipline inspection organs and strengthening the primary party organizations. According to the draft constitution, the Central Committee is to have no chairman but only a general secretary, who will convene meetings of the Political Bureau and its Standing Committee and preside over the work of the Secretariat. Advisory committees are to be established at the central and provincial levels to give our many veteran comrades rich in political experience a role of consultants in the service of the party's cause. Commissions for discipline inspection are to be elected by party congresses at the respective levels and, within limits prescribed by the party constitution, they are to supervise party committees and their members at the respective levels below the Central Committee, and they may report to the Central Committee any breach of party discipline by any of its members. Party organizations at all levels must pay great attention to party building and must regularly discuss and check up on the party's work in propaganda, education, organization and discipline inspection, and its mass work and united front work. All these stipulations should help to reinforce the party's collective leadership, enhance its fighting capacity and strengthen its ties with the masses. It should be said that the present draft is an improvement on all the previous constitutions and is fuller in content. Being a precious crystallization of the party's historical experience and collective wisdom, it is an important guarantee for making our party still stronger in the new historical period.

All party members must study and strictly observe the new constitution after its adoption by this congress. Whether or not a party member really meets the requirements set by the constitution and can fully discharge the duties of membership will be the fundamental criterion for judging whether he or she is qualified to be a party member.

Before the present revision of the constitution, our party worked out the Guiding Principles for Inner-Party Political Life, a document which has played a salutary role in that regard.

The Guiding Principles will remain in full effect as an important complement to the constitution. In light of the present conditions in the party and in the spirit of our new party constitution, we must now concentrate on solving the following problems in party building.

First, improve the party's system of democratic centralism and further normalize inner-party political life.

The history of our party shows that, in the period from its founding to the early years after the establishment of the People's Republic, except for a few years when the party fell into grave right or "left" errors, it implemented the principles of democratic centralism relatively well, and inner-party political life was fairly vigorous and lively. But from the late 1950's, the personality cult gradually appeared and developed, and political life in the party and state, and particularly the Central Committee, grew more and more abnormal, leading eventually to the decade of domestic turmoil. The grave twists and turns of history have taught us that whether there is normal political life in the party, and above all in the Central Committee and other leading bodies of the party at different levels, is indeed a fundamental issue bearing on the destiny of the party and state.

Now, the Central Committee is happy to report to the congress that, thanks to efforts made since the 3d Plenary Session of the 11th Central Committee, political life in the party, and first of all in the Central Committee, after being seriously abnormal for so many years, has now gradually returned to the correct path, the path of Marxism. Generally speaking, the Central Committee, its Political Bureau, the bureau's Standing Commiteee and the Secretariat have proved able to follow principles of democratic centralism and collective leadership. The practices of "what one person says goes" and of each going his own way are no longer allowed. When important differences of opinion arise, unity in thinking and action can be achieved through full reasoning and criticism and self-criticism. The present Central Committee is a united and harmonious leading body and a strong core able to cope with complicated situations. There has also been marked improvement in the political life of many local party organizations.

While affirming this major progress, we must also realize that in the party as a whole, undemocratic practices and patriarchal ways have still not been eradicated in many organizations, and cases of decentralism and liberalism exist to a serious extent. All this hinders the implementation of the party's line, principles and policies and weakens its fighting capacity. In order to carry forward the normalization of political life throughout the party, we must resolutely get rid of such unhealthy phenomena. All party members, and especially the leading cadres at various levels, must bear the principle of democratic centralism firmly in mind, see to it that collective leadership is established and strengthened first of all in the party committees at various levels, and strive to develop inner-party democracy while ensuring centralism and unity on the basis of democracy.

Party discipline must be strengthened in order to improve the functioning of democratic centralism. A grave problem at present is that in quite a number of organizations party discipline has slackened, right and wrong are confounded, rewards and punishments are misused and there is failure to criticize or punish when necessary. This is a problem of long standing, which has become exacerbated after the decade of domestic turmoil, and no marked improvement has yet occurred in some places. In the last few years the Central Committee, local party committees and party commissions for discipline inspection at all levels have attained notable results in their major efforts to uphold party discipline and correct the style of the party. But they have met considerable, and in some cases shocking, obstruction in their work. If such things are allowed to spread, what will remain of the party's fighting capacity? Party organizations at all levels and all party members must be mobilized to fight resolutely to uphold party discipline. We are confident that after this congress, through concerted efforts by all party organizations and members, we shall certainly be able to fully restore the inviolability of discipline throughout the party before too long and thus win the full trust of the people throughout the country.

Second, reform the leading bodies and the cadre system and ensure that the ranks of the cadres become more revolutionary, younger in average age, better educated and more professionally competent.

The main aim of reforming the system of leadership and the leading organs of the party and state is to eliminate such defects as overconcentration of power, proliferation of concurrent and deputy posts, organizational overlapping, lack of clear-cut job responsibility, overstaffing and failure to separate party work from government work, and in these ways overcome bureaucracy and increase work efficiency. The first stage of reform of the party and government organs at the central level has been basically completed, and the reform in the provinces, municipalities and autonomous regions is scheduled to start in the second half of this year or in the coming year. This reform is of far-reaching significance, being an important political guarantee for the success of China's modernization and adherence to the socialist road.

To solve correctly the question of party leadership over government organs and over enterprises and institutions is a highly important task in the organizational reform. It is necessary to achieve a proper division of labor between the party and the government and between party work and administrative and production work in enterprises and institutions. The party is not an organ of power which issues orders to the people, nor is it an administrative or production organization. The party should, of course, exercise leadership over production, construction and work in all other fields, and for this leadership to be fully effective it must be exercised in close connection with professional work by cadres who are professionally competent in such work. But party leadership is mainly political and ideological leadership in matters of principle and policy and in the selection, allocation, assessment and supervision of cadres. It should not be equated with administrative work and the direction of production by government organizations and enterprises. The party organizations should not take everything into their own hands. Only in this way can the party ensure that the government organs and enterprises do their work independently and effectively, and can the party itself concentrate its efforts on the study and formulation of major policies, the inspection of their implementation and the strengthening of ideological and political work among cadres and the rank and file both inside and outside the party. For long-standing historical reasons, some members of our party committees think that there will be nothing for them to do if they don't handle concrete administrative work--this is an erroneous idea that impairs party building and weakens the party's leading role. From now on, party committees at all levels should frequently study and discuss the party's major policies and principles regarding socialist construction, matters involving the ideology and education of cadres, party members and the masses, the ideological tendencies of cadres and their observance of discipline, the improvement of the party organization and the recruitment of new members, and so on. Of course, while the division of labor between party and government is emphasized, major policy decisions concerning government and economic work must still be made by the party, and all party members working in government organizations, enterprises and institutions must resolutely submit themselves to party leadership and carry out the party's policies.

To ensure that the ranks of the cadres become more revolutionary, younger in average age, better educated and more professionally competent is a long-established principle of the Central Committee of the party. During the organizational reform, we will relieve our many veteran cadres who are advanced in age of their heavy responsibilities in "front line" posts and at the same time enable them to continue their service to the party, the state and society by utilizing their rich experience in leadership work. We will promote large numbers of energetic young and middle-aged cadres who possess both political integrity and ability to various leading posts in good time, so that they can be tempered over a longer period practically and effectively by working with older cadres and taking over responsibilities from them and so that the leading bodies at all levels can continuously absorb new life-blood and talent to maintain their vigor. As for persons who rose to prominence by "rebellion," who are seriously factionalist in their ideas, who have indulged in beating, smashing and looting, who oppose the line followed by the party's Central Committee since its third plenary session, or who have seriously violated the law and discipline, we must remove with a firm hand those among them who are still in leading posts. Persons who have violated criminal law must be investigated and dealt with according to law. Such people, of course, must never be put up as candidates for promotion to leading posts. The cooperation between old and new cadres and the succession of the new to the old are matters important to the continuation of our socialist cause. We believe that all our party comrades, especially our old comrades, will certainly be able to accomplish this historic task with a high revolutionary sense of responsibility.

We must work strenuously to strengthen the education and training of cadres in order to prepare large numbers of specialized personnel needed for socialist modernization. In the future, in our use and promotion of cadres, we must attach importance to educational background and academic records as well as to experience and achievements in work. Party schools at all levels, cadre schools run by government organizations and enterprises, and especially designated institutions of higher learning and specialized secondary schools should all, as required by socialist modernization and in their different capacities, revise their teaching plans and shoulder the regular training of cadres. All functionaries on the job should be trained in rotation. After such training, appropriate adjustments can be made in their jobs through assessment of their actual performance. The training of all cadres in rotation is an important strategic measure for enhancing their quality. All party members and all cadres should have a full understanding of the needs of our modernization program and be active in study.

Third, strengthen the party's work among the workers, peasants and intellectuals and establish close ties between the party and the masses.

Our party is powerful because it represents the interests of the broadest masses of the people. The party's leading position in the life of the state determines that its activities vitally affect the interests of the masses, and at the same time involves the danger that party members, and party cadres in particular, may become isolated from the masses. This requires that we strive all the more consciously to preserve and carry forward the party's fine tradition of applying the mass line and effectively strengthen the party's close ties with the people of all strata of society.

Our party is a party of the working class, and it must make a point of relying on the masses of workers. The composition of the working class in China has undergone a big change in recent years, with large numbers of new workers replacing old ones. Many old workers who are party members have retired, many young people have joined the ranks of the working class, and group after group of workers who are party members have been transferred to managerial jobs. As a result, there are fewer party members on the production front, and the harder the labor, the smaller the number of party members. This grave situation has weakened the direct link between the party and the industrial workers. From now on, we must greatly strengthen party work on the production front, encourage party members fitted for working there to do so, and at the same time admit into the party outstanding workers who are qualified for membership. The party's work in the trade unions must be greatly strengthened so that they become a strong transmission belt between the party and the masses of workers. The system of congresses of workers and staff must be implemented in earnest so that these congresses and the trade unions can both play an important role in ideological education, enterprise management and the improvement of the workers' living standards.

Effective party work among China's 800 million peasants is a major prerequisite for its modernization. In a number of rural areas at present, some party members are interested only in their own productive activities and neglect the interests of the party and the masses, and some party branches have relinquished leadership among the masses. Effective measures must be taken to check this unhealthy tendency. Party committees at all levels should face up to such new developments, further strengthen the rural party organizations as well as the economic and administrative units and mass organizations at the grassroots and intensify ideological education among the peasants of different ages and in different localities, so that the political, economic and cultural life in the rural areas may develop soundly in the socialist direction.

In order to create a new situation in all fields of socialist modernization, we must lay special stress on the role of the intellectuals, improve the work of ideological and political education among them to suit their special characteristics, and actively recruit into the party intellectuals who are qualified for membership.

China has now 200 million young people, who form the most active force in every field of work. Although the "Cultural Revolution" did them immense harm during their formative years, the overwhelming majority of them are good politically and they have made marked progress in the past few years; the negative features displayed by a small number of the young people can be changed through education. The problem now is that work among the young people falls short of the needs of real life. Party and youth league organizations at all levels should establish closer ties with the masses of young people, become their close friends, show sincere concern for them and give them help politically, ideologically and in their work, study and personal life. The party should be on the lookout for advanced young people, help them to become qualified for membership and then admit them to its ranks so as to bring new blood into the party organizations. It should further strengthen its leadership over the Communist Youth League, support the league in the efforts to suit its work to the characteristics of the young people and help it play to the full its role as the party's assistant and reserve force, so that the league can truly become a school where large numbers of young people will learn about communism through practice.

Women are not only an important force in national economic construction; they also have a particularly significant role to play in building socialist spiritual civilization. Owing to traditional prejudices, many women often do not receive due attention, protection and education. The party must strengthen its work among women, concern itself with their special interests, pay attention to the training, selection and promotion of women cadres, and guide and support the women's federations at all levels in carrying out their tasks. The women's federation should become a prestigious mass organization, representing the interests of women and protecting and educating women and children.

Fourth, consolidate the party organizations step by step in a planned way so as to effect a fundamental turn for the better in the style of the party.

Our party is the vanguard of the Chinese working class; it has been nurtured over the years by Marxism-Leninism and Mao Zedong Thought and has matured through repeated tempering by successes and failures. Rallied in its ranks are outstanding elements of the Chinese working class and the Chinese people. The main body of our party remains politically pure and strong despite the serious damage inflicted by the "Cultural Revolution." After recovery and consolidation in the past few years, the situation in our party is now much improved, and its prestige is being restored and is rising. In these years, outstanding communists on all fronts have led the masses in working hard to implement the party's line, principles and policies and in many acts of heroism. Everywhere, in production and other work, in battles in defense of our motherland and against natural and other calamities, and in struggles against unhealthy tendencies and crimes, party members have written soul-stirring paeans to communism through their own exemplary deeds. All the splendid successes of the party and the people have been achieved precisely through the inspiring example given by such a fine core members of the party. This is the principal aspect of our party, and whoever fails to see it, or deliberately denies it, is committing a grave error.

However, the pernicious influences of the 10 years of domestic turmoil have not yet been eradicated, and there has been some increase in the corrosive inroads of exploiting-class ideologies under new conditions. It is true that impurities in ideology, style and organization still exist within the party and that no fundamental turn for the better has as yet been made in our party style. In the leadership work of some party organizations, signs of flabbiness and lack of unity abound. Some primary party organizations lack the necessary fighting capacity, and some are even in a state of paralysis. A small number of party members and cadres have become extremely irresponsible or seriously bureaucratic; or live a privileged life and abuse the powers entrusted to them to seek personal gain; or commit acts of anarchism and ultra-individualism in violation of party discipline; or obdurately indulge in factional activities to the detriment of the party's interests. A few party members and cadres have even sunk to corruption, embezzlement and other malpractices, committing serious economic crimes. In addition, a small remnant of the followers of the Lin Biao and Jiang Qing counterrevolutionary cliques still usurp some leading positions and are waiting for a chance to stir up trouble. All these phenomena have greatly impaired our party's prestige. While we must not allow any exaggeration of this dark aspect of our party, on no account should we be afraid to expose it. For ours is a staunch party; we have ample healthy forces on our side to wage an uncompromising struggle against the dark aspects and are confident of our victory in the struggle.

The style of a political party in power determines its very survival. To achieve a fundamental turn for the better in the style of our party, the Central Committee has decided on an overall rectification of party style and consolidation of party organizations, which will proceed by stages and by groups over a period of 3 years beginning from the latter half of 1983. This task will undoubtedly be of primary importance to the party, and it requires very careful attention and preparation and should be carried out step by step in a planned way. The key link in accomplishing this work must be thoroughgoing ideological education throughout the party. In conjunction with the study and implementation of the report and the new party constitution to be adopted by this party congress, the whole party should study the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" and the Guiding Principles for Inner-Party Political Life and carry on an education in the basic theories of Marxism-Leninism and Mao Zedong Thought, in the ideal of communism and the party's line, principles and policies and in essential knowledge concerning the party and the requirements for party membership. We must lay stress on getting every member to understand clearly the character, position and role of the party and to realize that all party members have only the duty to serve the people diligently and conscientiously, and no right whatsoever to take advantage of their power and positions to "fatten" on the state and on the masses. In matters of organization and leadership, the consolidation will start with the leading organs and cadres and then proceed, from top to bottom, with the leading bodies at different levels which have already been consolidated leading the consolidation of the subordinate and primary organizations. Bad elements must on no account be permitted to take this as an opportunity to frame and attack good people. We must act in, and develop further, the spirit of the Yanan rectification movement of 1942, follow its principle of "learning from past mistakes to avoid future ones and curing the sickness to save the patient" and its twofold objective of "clarity in ideology and unity among comrades" in unfolding earnest criticism and self-criticism, and take appropriate measures to solicit opinions from the masses outside the party. In the final stage, there will be a re-registration of all party members and, in strict accordance with the provisions of the new party constitution, those who still fail to meet the requirements for membership after education shall be expelled from the party or asked to withdraw from it. At the same time, concrete measures should be worked out to strengthen and improve party leadership so as to effect an improvement in the work of party organizations at all levels.

Through the proposed consolidation of the party, we must further normalize inner-party political life, place an effective check on unhealthy tendencies and greatly strengthen the ties between the party and the masses. In this way, we will certainly achieve a fundamental turn for the better in our party style.

Comrades! Our Central Committee has explained to this congress the fighting tasks that confront the whole party. We have proposed that in the coming 5 years a fundamental turn for the better should be made in the financial and economic situation, in standards of social conduct and in party style. Can these tasks be accomplished? The Central Committee is confident that the unanimous reply by our congress will be: Yes, the tasks can and definitely shall be accomplished!

The principles and tasks to be defined by this congress will enrich and develop the correct line followed since the 3d Plenary Session of the party's 11th Central Committee. Richer in content and closer to reality, they will be even more persuasive in unifying the thinking of the entire party and the people of all our nationalities and become an even more accurate guide to our action.

At this point, it should be emphasized that our party faces yet another historic task, that of joining hands with all our patriotic fellow-countrymen in a common endeavor to accomplish the sacred task of reunifying our motherland. Taiwan is part of the sacred territory of our motherland, and the people in Taiwan are our kith and kin. The return of Taiwan to the embrace of our great and indivisible motherland with its history of 5,000 years, population of 1 billion and territory of 9.6 million square kilometers is the common desire of all our compatriots; it will be an evitable outcome of historical development, which no political party or individual can resist. It is China's internal affair with which no foreign country has the right to interfere. We hope that our compatriots in Taiwan, Xianggang (Hong Kong) and Aomen (Macao) and Chinese nationals residing abroad will urge the Kuomintang authorities to take a realistic view of the situation and put the future of our country and the interests of the nation above all else, instead of persisting in their obdurate stand, so that talks between the Kuomintang and the Communist Party may be held at an early date and, together, we can bring about the peaceful reunification of our motherland.

Socialist modernization is the common will, and is in the fundamental interests, of the people of all our nationalities. Remember what hardships and miseries the Chinese nation went through in the century or more between the Opium War of 1840 and liberation! Long years of historical experience have inevitably turned the hearts and minds of all members of our party, army and people to the fundamental goal of the prosperity of the country under socialism and of reunification, particularly the return of Taiwan to the motherland. Socialist China's political situation is stable, and the prospect is that our modernization and reunification will definitely succeed. This prospect accords with the desires of the people and the tide of history. So long as we firmly trust and rely on the overwhelming majority of the masses, maintain close ties with the people and work conscientiously for their interests, our cause will be invincible.

We are, of course, soberly aware that we will come upon all kinds of obstacles and difficulties on the path of socialist modernization. At present, the major problems calling for urgent solution are the unhealthy phenomena in our party style and lowered standards of social conduct, which are the aftermath of the "Cultural Revolution"; the continuance of serious criminal activities undermining the socialist economy, politics and culture; and the unwieldiness, overstaffing and inefficiency in leading bodies at various levels, and the failure of our economic systems to fully meet the needs of the expansion of the productive forces. Consequently, as already said above, in the period to come we must systematically complete the organizational reform and reforms in the economic systems, go all out in building socialist spiritual civilization, hit hard at the serious criminal activities undermining our socialist economy and socialist system, and rectify the party style and consolidate the party organizations. Fulfillment of these four tasks will provide an important guarantee that we can adhere to the socialist system and succeed in socialist modernization. The whole party, particularly party committees at all levels, must lay great stress on these tasks and work unswervingly to accomplish them.

Our comrades should take a correct approach toward difficulties. It is entirely wrong to see only the bright and not the difficult side of the situation, to the point of mistaking one's subjective desires for objective reality and rushing blindly ahead. We suffered greatly from such an approach in the past and should always remember the lessons learned. On the other hand, it is likewise entirely wrong to fear and cower before difficulties, lose faith in the strength of the party and the masses, and waver and procrastinate even after the Central Committee has correctly analyzed the situation and formulated principles and tasks accordingly. Things today are far different from those in past periods when our party encountered tremendous difficulties. When our Red Army was compelled to go on the Long March, it was vastly outnumbered by the enemy, yet we overcame that difficulty. During the "Cultural Revolution" the Lin Biao and Jiang Qing counterrevolutionary cliques ran rampant and the whole country was thrown into chaos, yet we turned the tide. So can there be any difficulties today which we cannot overcome? The correct attitude for Marxists in the face of difficulties, the revolutionary style for communists striving to create a new situation is to throw themselves enthusiastically into the great work of socialist modernization and, going among the masses and digging into the actual work, forge ahead in the struggle with added vigor, indomitably and indefatigably.

Comrades! The historical experience of the party during the past 60-odd years teaches us that the fundamental reason why the party has been able to lead the Chinese people in winning one great victory after another is its integration of the universal truth of Marxism with the concrete practice of the Chinese revolution. The supreme historical contribution of Comrade Mao Zedong and the other proletarian revolutionaries of the older generation is that they succeeded in making such an integration. To turn China with its backward economic and cultural base into a modern and powerful socialist country in this new historical period is one of the most gigantic creative undertakings in human history. Many problems involved in it were not, and would not have been, raised or solved by Marxists in the past. In such an undertaking, ideological and political deviations of one kind or another or deviations in concrete work may occur within our ranks. This is not strange, nor can it be entirely avoided. What is important is that the whole party, party committees at all levels in particular, must uphold the four cardinal principles, adhere to the correct line followed since the 3d Plenary Session of the 11th Central Committee and oppose both the "left" tendency of trying to revert to the erroneous theories and policies which prevailed during and before the "Cultural Revolution" and the right tendency of bourgeois liberalization as reflected in distrust or rejection of the four cardinal principles. We must resolutely take over and learn to use the stand, viewpoint and method of Marxism-Leninism and Mao Zedong Thought, acquire a deeper understanding of the actual work in all fields, make systematic investigations and studies, and be good at conducting appropriate criticism and education and waging necessary struggles against wrong tendencies.

Provided we persist in doing this, we can certainly accumulate new experience, break new ground in theory and carry forward Marxism-Leninism and Mao Zedong Thought under new historical conditions and in great new fields of practice.

Comrades! For several decades beginning with the 1920's, China's forerunners in the communist cause and millions of other glorious revolutionary fighters and martyrs shed their blood and gave their lives in heroic struggles to bring China to its present state of progress. In the new historical period, let us carry out the behest of our martyrs and accomplish, in this vast land of ours, the great undertaking never attempted before.

In terms of experience of struggles, our contingent of party cadres consists of people of four generations: those who joined the revolution in the party's early days, during the agrarian revolutionary war, during the war of resistance against Japan and the war of liberation, and after the founding of the People's Republic. This testifies that our cause is of long standing and is assured of successors. The ranks of our party will advance incessantly like the flowing waters of the Chang Jiang. This congress of ours will go down in the party's history as one which has defined the party's principles and tasks for the new period politically and achieved the cooperation of old and new cadres and the succession of the new to the old organizationally, and one which creates a new situation in all fields of socialist modernization.

Let the whole party rally still more closely under the great banner of Marxism-Leninism and Mao Zedong Thought! Let our party unite still more closely with the people of all nationalities in the country, with the democratic parties and all patriotic fellow-countrymen at home and abroad, and with all the progressive forces and friendly public figures in other countries who support our cause! Let us march forward dauntlessly and with one heart and one mind! No force on earth can deter us. Our triumph is certain!

FOOTNOTES

1. Cf. V. I. Lenin, "Meeting of the All-Russia Central Executive Committee, November 4 (17), 1917," collected works, Eng. ed., Progress Publishers, Moscow, 1964, Vol 26, p 288.

2. Karl Marx and Frederick Engels, "Economic Manuscripts of 1857-1859," pre-capitalist socioeconomic formations, Eng. ed., Progress Publishers, Moscow, 1979, p 109.

3. Mao Zedong, "On Practice," selected works, Eng. ed., Foreign Languages Press, Beijing, 1967, Vol I, p 308.

4. Karl Marx and Frederick Engels, "The German Ideology," collected works, Eng. ed., Progress Publishers, Moscow, 1976, Vol 5, p 49.

5. Mao Zedong, "On New Democracy," selected works, Eng. ed., Foreign Languages Press, Beijing, 1967, Vol II, p 361.

6. Cf. V. I. Lenin, "From the Destruction of the Old Social System to the Creation of the New," collected works, Eng. ed., Progress Publishers, Moscow, 1965, Vol 30, p 518.

7. Mao Zedong, "Strive To Build a Great Socialist Country," selected works, Eng. ed., Foreign Languages Press, Beijing, 1977, Vol V, p 148.

8. Karl Marx and Frederick Engels, "On Poland," collected works, Eng. ed., Progress Publishers, Moscow, 1976, Vol 6, p 389.

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CONSTITUTION OF THE COMMUNIST PARTY OF CHINA (ADOPTED BY THE 12TH NATIONAL CONGRESS OF THE COMMUNIST PARTY OF CHINA ON 6 SEPTEMBER 1982)

Beijing RED FLAG in Chinese No 18, 16 Sep 82 pp 31-43

[Text] General Program

The Communist Party of China is the vanguard of the Chinese working class, the faithful representative of the interests of the people of all nationalities in China, and the force at the core leading China's cause of socialism. The party's ultimate goal is the creation of a communist social system.

The Communist Party of China takes Marxism-Leninism and Mao Zedong Thought as its guide to action.

Applying dialectical materialism and historical materialism, Marx and Engels analyzed the laws of development of capitalist society and founded the theory of scientific socialism. According to this theory, with the victory of the proletariat in its revolutionary struggle, the dictatorship of the bourgeoisie is inevitably replaced by the dictatorship of the proletariat, and capitalist society is inevitably transformed into socialist society in which the means of production are publicly owned, exploitation is abolished and the principle "from each according to his ability and to each according to his work" is applied; with tremendous growth of the productive forces and tremendous progress in the ideological, political and cultural fields, socialist society ultimately and inevitably advances into communist society in which the principle "from each according to his ability and to each according to his needs" is applied. Early in the 20th century, Lenin pointed out that capitalism had developed to the stage of imperialism, that the liberation struggle of the proletariat was bound to unite with that of the oppressed nations of the world, and that it was possible for socialist revolution to win victory first in countries that were the weak links of imperialist rule. The course of world history during the past half century and more, especially the establishment and development of the socialist system in a number of countries, has borne out the correctness of the theory of scientific socialism.

The development and improvement of the socialist system is a long historical process. Fundamentally speaking, the socialist system is incomparably superior to the capitalist system, having eliminated the contradictions inherent in the capitalist system, which the latter itself is incapable of overcoming. Socialism enables the people truly to become masters of the country, gradually to shed the old ideas and ways formed under the system of exploitation and private ownership of the means of production, and steadily to raise their communist consciousness and foster common ideals, common ethics and a common discipline in their own ranks. Socialism can give full scope to the initiative and creativeness of the people, develop the productive forces rapidly, proportionately and in a planned way, and meet the growing material and cultural needs of the members of society. The cause of socialism is advancing and is bound gradually to triumph throughout the world along paths that are suited to the specific conditions of each country and are chosen by its people of their own free will.

The Chinese communists, with Comrade Mao Zedong as their chief representative, created Mao Zedong Thought by integrating the universal principles of Marxism-Leninism with the concrete practice of the Chinese revolution. Mao Zedong Thought is Marxism-Leninism applied and developed in China; it consists of a body of theoretical principles concerning the revolution and construction in China and a summary of experience therein, both of which have been proved correct by practice; it represents the crystallized, collective wisdom of the Communist Party of China.

The Communist Party of China led the people of all nationalities in waging their prolonged revolutionary struggle against imperialism, feudalism and bureaucrat-capitalism, winning victory in the new democratic revolution and establishing the People's Republic of China--a people's democratic dictatorship. After the founding of the People's Republic, it led them in smoothly carrying out socialist transformation, completing the transition from new democracy to socialism, establishing the socialist system, and developing socialism in its economic, political and cultural aspects.

After the elimination of the exploiting classes as such, most of the contradictions in Chinese society do not have the nature of class struggle, and class struggle is no longer the principal contradiction. However, owing to domestic circumstances and foreign influences, class struggle will continue to exist within certain limits for a long time, and may even sharpen under certain conditions. The principal contradiction in Chinese society is that between the people's growing material and cultural needs and the backward level of our social production. The other contradictions should be resolved in the course of resolving this principal one. It is essential to strictly distinguish and correctly handle the two different types of contradictions--those contradictions between the enemy and ourselves and those among the people.

The general task of the Communist Party of China at the present stage is to unite the people of all nationalities in working hard and self-reliantly to achieve, step by step, the modernization of our industry, agriculture, national defense and science and technology and make China a culturally advanced and highly democratic socialist country.

The focus of the work of the Communist Party of China is to lead the people of all nationalities in accomplishing the socialist modernization of our economy. It is necessary vigorously to expand the productive forces and gradually perfect socialist relations of production, in keeping with the actual level of the productive forces and as required for their expansion. It is necessary to strive for the gradual improvement of the standards of material and cultural life of the urban and rural population, based on the growth of production and social wealth.

The Communist Party of China leads the people, as they work for a high level of material civilization, in building a high level of socialist spiritual civilization. Major efforts should be made to promote education, science and culture, imbue the party members and the masses of the people with communist ideology, combat and overcome decadent bourgeois ideas, remnant feudal ideas and other nonproletarian ideas, and encourage the Chinese people to have lofty ideals, moral integrity, education and a sense of discipline.

The Communist Party of China leads the people in promoting socialist democracy, perfecting the socialist legal system, and consolidating the people's democratic dictatorship. Effective measures should be taken to protect the people's right to run the affairs of the state and of society, and to manage economic and cultural undertakings; and to strike firmly at hostile elements who deliberately sabotage the socialist system, and those who seriously breach or jeopardize public security. Great efforts should be made to strengthen the People's Liberation Army and national defense so that the country is prepared at all times to resist and wipe out any invaders.

The Communist Party of China upholds and promotes relations of equality, unity and mutual assistance among all nationalities in the country, persists in the policy of regional autonomy of minority nationalities, aids the areas inhabited by minority nationalities, aids the areas inhabited by minority nationalities in their economic and cultural development, and actively trains and promotes cadres from among the minority nationalities.

The Communist Party of China unites with all workers, peasants and intellectuals, and with all the democratic parties, nonparty democrats and the patriotic forces of all the nationalities in China in further expanding and fortifying the broadest possible patriotic united front embracing all socialist working people and all patriots who support socialism or who support the reunification of the motherland. We should work together with the people throughout the country, including our compatriots in Taiwan, Xianggang (Hong Kong) and Aomen (Macao) and Chinese nationals residing abroad, to accomplish the great task of reunifying the motherland.

In international affairs, the Communist Party takes the following basic stand: It adheres to proletarian internationalism and firmly unites with the workers of all lands, with the oppressed nations and oppressed peoples and with all peace-loving and justice-upholding organizations and personages in the common struggle against imperialism, hegemonism and colonialism and for the defense of world peace and promotion of human progress. It stands for the development of state relations between China and other countries on the basis of the five principles of mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence. It develops relations with communist parties and working-class parties in other countries on the basis of Marxism and the principles of independence, complete equality, mutual respect and noninterference in each other's internal affairs.

In order to lead China's people of all nationalities in attaining the great goal of socialist modernization, the Communist Party of China must strengthen itself, carry forward its fine traditions, enhance its fighting capacity and resolutely achieve the following three essential requirements:

First, a high degree of ideological and political unity. The Communist Party of China makes the realization of communism its maximum program, to which all its members must devote their entire lives. At the present stage, the political basis for the solidarity and unity of the whole party consists in adherence to the socialist road, to the people's democratic dictatorship, to the leadership of the party, and to Marxism-Leninism and Mao Zedong Thought and in the concentration of our efforts on socialist modernization. The party's ideological line is to proceed from reality in all things, to integrate theory with practice, to seek truth from facts, and to verify and develop the truth through practice. In accordance with this ideological line, the whole party must scientifically sum up historical experience, investigate and study actual conditions, solve new problems in domestic and international affairs, and oppose all erroneous deviations, whether "left" or right.

Second, wholehearted service to the people. The party has no special interest of its own apart from the interests of the working class and the broadest masses of the people. The program and policies of the party are precisely the scientific expressions of the fundamental interests of the working class and the broadest masses of the people. Throughout the process of leading the masses in struggle to realize the ideal of communism, the party always shares weal and woe with the people, keeps in closest contact with them, and does not allow any member to become divorced from the masses or place himself above them. The party persists in educating the masses in communist ideas and follows the mass line in its work, doing everything for the masses, relying on them in every task, and turning its correct views into conscious action by the masses.

Third, adherence to democratic centralism. Within the party, democracy is given full play, a high degree of centralism is practiced on the basis of democracy and a sense of organization and discipline is strengthened, so as to ensure unity of action throughout its ranks and the prompt and effective implementation of its decisions. In its internal political life, the party conducts criticism and self-criticism in the correct way, waging ideological struggles over matters of principle, upholding truth and rectifying mistakes. Applying the principle that all members are equally subject to party discipline, the party duly criticizes or punishes those members who violate it and expels those who persist in opposing and harming the party.

Party leadership consists mainly in political, ideological and organizational leadership. The party must formulate and implement correct lines, principles and policies, do its organizational, propaganda and educational work well and make sure that all party members play their exemplary vanguard role in every sphere of work and every aspect of social life. The party must conduct its activities within the limits permitted by the constitution and the laws of the state. It must see to it that the legislative, judicial and administrative organs of the state and the economic, cultural and people's organizations work actively and with initiative, independently, responsibly and in harmony. The party must strengthen its leadership over the trade unions, the Communist Youth League, the women's federation and other mass organizations, and give full scope to their roles. The party members are a minority in the whole population, and they must work in close cooperation with the masses of nonparty people in the common effort to make our socialist motherland ever stronger and more prosperous, until the ultimate realization of communism.

Chapter I. Membership

Article 1

Any Chinese worker, peasant, member of the armed forces, intellectual or any other revolutionary who has reached the age of 18 and who accepts the party's program and constitution and is willing to join and work actively in one of the party organizations, carry out the party's decisions and pay membership dues regularly may apply for membership of the Communist Party of China.

Article 2

Members of the Communist Party of China are vanguard fighters of the Chinese working class imbued with communist consciousness.

Members of the Communist Party of China must serve the people wholeheartedly, dedicate their whole lives to the realization of communism, and be ready to make any personal sacrifices.

Members of the Communist Party of China are at all times ordinary members of the working people. Communist Party members must not seek personal gain or privileges, although they are allowed personal benefits and job functions and powers as provided for by the relevant regulations and policies.

Article 3

Party members must fulfill the following duties:

(1) To conscientiously study Marxism-Leninism and Mao Zedong Thought, essential knowledge concerning the party, and the party's line, principles, policies and decisions; and acquire general, scientific and professional knowledge.

(2) To adhere to the principle that the interests of the party and the people stand above everything, subordinate their personal interests to the interests of the party and the people, be the first to bear hardships and the last to enjoy comforts, work selflessly for the public interest, and absolutely never use public office for personal gain or benefit themselves at the expense of the public.

(3) To execute the party's decisions perseveringly, accept any job and fulfill actively any task assigned them by the party, conscientiously observe party discipline and the laws of the state, rigorously guard party and state secrets and staunchly defend the interests of the party and the state.

(4) To uphold the party's solidarity and unity, to firmly oppose factionalism and all factional organizations and small-group activities, and to oppose double-dealing and scheming of any kind.

(5) To be loyal to and honest with the party, to match words with deeds and not to conceal their political views or distort facts; to earnestly practice criticism and self-criticism, to be bold in exposing and correcting shortcomings and mistakes in work, backing good people and good deeds and fighting against bad people and bad deeds.

(6) To maintain close ties with the masses, propagate the party's views among them, consult with them when problems arise, listen to their views and demands with an open mind and keep the party informed of these in good time, help them raise their political consciousness, and defend their legitimate rights and interests.

(7) To play an exemplary vanguard role in production and other work, study all social activities, take the lead in maintaining public order, promote new socialist ways and customs and advocate communist ethics.

(8) As required by the defense of the motherland and the interests of the people, to step forward and fight bravely in times of difficulty and danger, fearing neither hardship nor death.

Article 4

Party members enjoy the following rights:

(1) To attend pertinent party meetings and read pertinent party documents, and to benefit from the party's education and training.

(2) To participate in the discussion, at party meetings and in party newspapers and journals, of questions concerning the party's policies.

(3) To make suggestions and proposals regarding the work of the party.

(4) To make well-grounded criticism of any party organization or member at party meetings; to lay information or charges against any party organization

or member concerning violations of discipline and of the law to the party in a responsible way, and to demand disciplinary measures against such a member, or to demand the dismissal or replacement of any cadre who is incompetent.

(5) To vote, elect and stand for election.

(6) To attend, with the right of self-defense, discussions held by party organizations to decide on disciplinary measures to be taken against themselves or to appraise their work and behavior, while other party members may also bear witness or argue in their behalf.

(7) In case of disagreement with a party decision or policy, to make reservations and present their views to party organizations at higher levels up to and including the Central Committee, provided that they resolutely carry out the decision or policy while it is in force.

(8) To put forward any request, appeal or complaint to higher party organizations up to and including the Central Committee and ask the organizations concerned for a responsible reply.

No party organization, up to and including the Central Committee, has the right to deprive any party member of the above-mentioned rights.

Article 5

New party members must be admitted through a party branch, and the principle of individual admission must be adhered to. It is impermissible to drag into the party by any means those who are not qualified for membership, or to exclude those who are qualified.

An applicant for party membership must fill in an application form and must be recommended by two full party members. The application must be accepted by a general membership meeting of the party branch concerned and approved by the next higher party organization, and the applicant should undergo observation for a probationary period before being transferred to full membership.

Party members who recommend an applicant must make genuine efforts to acquaint themselves with the latter's ideology, character and personal history, to explain to each applicant the party's program and constitution, qualifications for membership and the duties and rights of members, and must make a responsible report to the party organization on the matter.

The party branch committee must canvass the opinions of persons concerned, inside and outside the party, about an applicant for party membership and, after establishing the latter's qualifications following a rigorous examination, submit the application to a general membership meeting for discussion.

Before approving the admission of applicants for party membership, the next higher party organization concerned must appoint people to talk with them, so as to get to know them better and help deepen their understanding of the party.

In special circumstances, the Central Committee of the party or the party committee of a province, an autonomous region or a municipality directly under the central government has the power to admit new party members directly.

Article 6

A probationary party member must take an admission oath in front of the party flag. The oath reads: "It is my will to join the Communist Party of China, uphold the party's program, observe the provisions of the party constitution, fulfill a party member's duties, carry out the party's decisions, strictly observe party discipline, guard party secrets, be loyal to the party, work hard, fight for communism throughout my life, be ready at all times to sacrifice my all for the party and the people, and never betray the party."

Article 7

The probationary period of a probationary member is 1 year. The party organization should make serious efforts to educate and observe the probationary members.

Probationary members have the same duties as full members. They enjoy the rights of full members except those of voting, electing or standing for election.

When the probationary period of a probationary member has expired, the party branch concerned should promptly discuss whether he is qualified to be transferred to full membership. A probationary member who conscientiously performs his duties and is qualified for membership should be transferred to full membership as scheduled; if continued observation and education are needed, the probationary period may be prolonged, but by no more than 1 year; if a probationary member fails to perform his duties and is found to be really unqualified for membership, his probationary membership shall be annulled. Any decision to transfer a probationary member to full membership, prolong a probationary period, or annul a probationary membership must be made through discussion by the general membership meeting of the party branch concerned and approved by the next higher party organization.

The probationary period of a probationary member begins from the day the general membership meeting of the party branch admits him as a probationary member. The party standing of a member begins from the day he is transferred to full membership on the expiration of the probationary period.

Article 8

Every party member, irrespective of position, must be organized into a branch, cell or other specific unit of the party to participate in the regular activities of the party organization and accept supervision by the masses inside and outside the party. There shall be no privileged party members who do not participate in the regular activities of the party organization and do not accept supervision by the masses inside and outside the party.

Article 9

Party members are free to withdraw from the party. When a party member asks to withdraw, the party branch concerned shall, after discussion by its general membership meeting, remove his name from the party rolls, make the removal publicly known and report it to the next higher party organization for the record.

A party member who lacks revolutionary will, fails to fulfill the duties of a party member, is not qualified for membership and remains incorrigible after repeated education should be persuaded to withdraw from the party. The case shall be discussed and decided by the general membership meeting of the party branch concerned and submitted to the next higher party organization for approval. If the party member being persuaded to withdraw refuses to do so, the case shall be submitted to the general membership meeting of the party branch concerned for discussion and decision on a time limit by which the member must correct his mistakes or on the removal of his name from the party rolls, and the decision shall be submitted to the next higher party organization for approval.

A party member who fails to take part in regular party activities, pay membership dues or do work assigned by the party for six successive months without proper reason is regarded as having given up membership. The general membership meeting of the party branch concerned shall decide on the removal of such a person's name from the party rolls and report the removal to the next higher party organization for approval.

Chapter II. Organizational System of the Party

Article 10

The party is an integral body organized under its program and constitution, on the principle of democratic centralism. It practices a high degree of centralism on the basis of a high degree of democracy. The basic principles of democratic centralism as practiced by the party are as follows:

(1) Individual party members are subordinate to the party organization, the minority is subordinate to the majority, the lower party organizations are subordinate to the higher party organizations, and all the constituent organizations and members of the party are subordinate to the national congress and the Central Committee of the party.

(2) The party's leading bodies of all levels are elected except for the representative organs dispatched by them and the leading party members' groups in nonparty organizations.

(3) The highest leading body of the party is the national congress and the Central Committee elected by it. The leading bodies of local party

organizations are the party congresses at their respective levels and the party committees elected by them. Party committees are responsible, and report their work, to the party congresses at their respective levels.

(4) Higher party organizations shall pay constant attention to the views of the lower organizations and the rank-and-file party members, and solve in good time the problems they raise. Lower party organizations shall report on their work to, and request instructions from, higher party organizations; at the same time, they shall handle, independently and in a responsible manner, matters within their jurisdiction. Higher and lower party organizations should exchange information and support and supervise each other.

(5) Party committees at all levels function on the principle of combining collective leadership with individual responsibility based on division of labor. All major issues shall be decided upon by the party committees after democratic discussion.

(6) The party forbids all forms of personality cult. It is necessary to ensure that the activities of the party leaders be subject to supervision by the party and the people, while at the same time to uphold the prestige of all leaders who represent the interests of the party and the people.

Article 11

The election of delegates to party congresses and of members of party committees at all levels should reflect the will of the voters. Elections shall be held by secret ballot. The lists of candidates shall be submitted to the party organizations and voters for full deliberation and discussion. There may be a preliminary election in order to draw up a list of candidates for the formal election. Or there may be no preliminary election, in which case the number of candidates shall be greater than that of the persons to be elected. The voters have the right to inquire into the candidates, demand a change or reject one in favor of another. No organization or individual shall in any way compel voters to elect or not to elect any candidate.

If any violation of the party constitution occurs in the election of delegates to a local party congress, the party committee at the next higher level shall, after investigation and verification, decide to invalidate the election and take appropriate measures. The decision shall be reported to the party committee at the next higher level for checking and approval before it is formally announced and implemented.

Article 12

When necessary, party committees of and above the county level may convene conferences of delegates to discuss and decide on major problems that require timely solution. The number of delegates to such conferences and the procedure governing their election shall be determined by the party committees convening them.

Article 13

The formation of a new party organization or the dissolution of an existing one shall be decided upon by the higher party organizations.

Party committees of and above the county level may send out their representative organs.

When the congress of a local party organization at any level is not in session, the next higher party organization may, when it deems it necessary, transfer or appoint responsible members of that organization.

Article 14

When making decisions on important questions affecting the lower organizations, the leading bodies of the party at all levels should, in ordinary circumstances, solicit the opinions of the lower organizations. Measures should be taken to ensure that the lower organizations can exercise their functions and powers normally. Except in special circumstances, higher leading bodies should not interfere with matters that ought to be handled by lower organizations.

Article 15

Only the Central Committee of the party has the power to make decisions on major policies of a nationwide character. Party organizations of various departments and localities may make suggestions with regard to such policies to the Central Committee, but shall not make any decisions or publicize their views outside the party without authorization.

Lower party organizations must firmly implement the decisions of higher party organizations. If lower organizations consider that any decisions of higher organizations do not suit actual conditions in their localities or departments, they may request modification. If the higher organizations insist on their original decisions, the lower organizations must carry out such decisions and refrain from publicly voicing their differences, but have the right to report to the next higher party organization.

Newspapers and journals and other means of publicity run by party organizations at all levels must propagate the line, principles, policies and decisions of the party.

Article 16

Party organizations must keep to the principle of subordination of the minority to the majority in discussing and making decisions on any matter. Serious consideration should be given to the differing views of a minority. In case of controversy over major issues in which supporters of the two opposing views are nearly equal in number, except in emergencies where action must be taken in accordance with the majority view, the decision should be put off to allow for further investigation, study and exchange of opinions followed by another discussion. If still no decision can be made, the controversy should be reported to the next higher party organization for ruling.

When, on behalf of the party organization, an individual party member is to express views on major issues beyond the scope of existing party decisions, the content must be referred to the party organization for prior discussion and decision, or referred to the next higher party organization for instructions. No party member, whatever his position, is allowed to make decisions on major issues on his own. In an emergency, when a decision by an individual is unavoidable, the matter must be reported to the party organization immediately afterwards. No leader is allowed to decide matters arbitrarily on his own or to place himself above the party organization.

Article 17

The central, local and primary organizations of the party must all pay great attention to party building. They shall regularly discuss and check up on the party's work in propaganda, education, organization and discipline inspection, its mass work and united front work. They must carefully study ideological and political developments inside and outside the party.

Chapter III. Central Organizations of the Party

Article 18

The national congress of the party is held once every 5 years and convened by the Central Committee. It may be convened before the due date if the Central Committee deems it necessary or if more than one-third of the organizations at the provincial level so request. Except under extraordinary circumstances, the congress may not be postponed.

The number of delegates to the national congress of the party and the procedure governing their election shall be determined by the Central Committee.

Article 19

The functions and powers of the national congress of the party are as follows:

(1) To hear and examine the reports of the Central Committee;

(2) To hear and examine the reports of the Central Advisory Commission and the Central Commission for Discipline Inspection;

(3) To discuss and decide on major questions concerning the party;

(4) To revise the constitution of the party;

(5) To elect the Central Committee; and

(6) To elect the Central Advisory Commission and the Central Commission for Discipline Inspection.

Article 20

The Central Committee of the party is elected for a term of 5 years. However, when the next national congress is convened before or after its due date, the term shall be correspondingly shortened or extended. Members and alternate members of the Central Committee must have a party standing of 5 years or more. The number of members and alternate members of the Central Committee shall be determined by the national congress. Vacancies on the Central Committee shall be filled by its alternate members in the order of the number of votes by which they were elected.

The Central Committee of the party meets in plenary session at least once a year, and such sessions are convened by its Political Bureau.

When the national congress is not in session, the Central Committee carries out its decisions, directs the entire work of the party and represents the Communist Party of China in its external relations.

Article 21

The Political Bureau, the Standing Committee of the Political Bureau, the Secretariat and the general secretary of the Central Committee of the party are elected by the Central Committee in plenary session. The general secretary of the Central Committee must be a member of the Standing Committee of the Political Bureau.

When the Central Committee is not in session, the Political Bureau and its Standing Committee exercise the functions and powers of the Central Committee.

The Secretariat attends to the day-to-day work of the Central Committee under the direction of the Political Bureau and its Standing Committee.

The general secretary of the Central Committee is responsible for convening the meetings of the Political Bureau and its Standing Committee and presides over the work of the Secretariat.

The members of the Military Commission of the Central Committee are decided on by the Central Committee. The chairman of the Military Commission must be a member of the Standing Committee of the Political Bureau.

The central leading bodies and leaders elected by each Central Committee shall, when the next national congress is in session, continue to preside over the party's day-to-day work until the new central leading bodies and leaders are elected by the next Central Committee.

Article 22

The party's Central Advisory Commission acts as political assistant and consultant to the Central Committee. Members of the Central Advisory Commission must have a party standing of 40 years or more, have rendered considerable service to the party, have fairly rich experience in leadership and enjoy fairly high prestige inside and outside the party.

The Central Advisory Commission is elected for a term of the same duration as that of the Central Committee. It elects, at its plenary meeting, its Standing Committee and its chairman and vice chairmen, and reports the results to the Central Committee for approval. The chairman of the Central Advisory Commission must be a member of the Standing Committee of the Political Bureau. Members of the Central Advisory Commission may attend plenary sessions of the Central Committee as nonvoting participants. The vice chairmen of the Central Advisory Commission may attend plenary meetings of the Political Bureau as nonvoting participants and, when the Political Bureau deems it necessary, other members of the Standing Committee of the Central Advisory Commission may do the same.

Working under the leadership of the Central Committee of the party, the Central Advisory Commission puts forward recommendations, on the formulation and implementation of the party's principles and policies and gives advice upon request, assists the Central Committee in investigating and handling certain important questions, propagates the party's major principles and policies inside and outside the party, and undertakes such other tasks as may be entrusted to it by the Central Committee.

Article 23

Party organizations in the Chinese People's Liberation Army carry on their work in accordance with the instructions of the Central Committee. The General Political Department of the Chinese People's Liberation Army is the political-work organ of the Military Commission; it directs party and political work in the army. The organizational system and organs of the party in the armed forces will be prescribed by the Military Commission.

Chapter IV. Local Organizations of the Party

Article 24

A party congress of a province, autonomous region, municipality directly under the autonomous region, municipality directly under the central government, city divided into districts, or autonomous prefecture is held once every 5 years.

A party congress of a county (banner), autonomous county, city not divided into districts, or municipal district is held once every 3 years.

Local party congresses are convened by the party committees at the corresponding levels. Under extraordinary circumstances, they may be held before or after their due dates upon approval by the next higher party committees.

The number of delegates to the local party congresses at any level and the procedure governing their election are determined by the party committees at the corresponding levels and should be reported to the next higher party committees for approval.

Article 25

The functions and powers of the local party congresses at all levels are as follows:

(1) To hear and examine the reports of the party committees at the corresponding levels;

(2) To hear and examine the reports of the commissions for discipline inspection at the corresponding levels;

(3) To discuss and decide on major issues in the given areas; and

(4) To elect the party committees and commissions for discipline inspection at the corresponding levels and delegates to the party congresses at their respective next higher levels.

The party congress of a province, autonomous region, or municipality directly under the central government elects the party advisory committee at the corresponding level and hears and examines its reports.

Article 26

The party committee of a province, autonomous region, or municipality directly under the central government, city divided into districts, or autonomous prefecture is elected for a term of 5 years. The members and alternate members of such a committee must have a party standing of 5 years or more.

The party committee of a county (banner), autonomous county, city not divided into districts, or municipal district is elected for a term of 3 years. The members and alternate members of such a committee must have a party standing of 3 years or more.

When local party congresses at various levels are convened before or after their due dates, the terms of the committees elected by the previous congresses shall be correspondingly shortened or extended.

The number of members and alternate members of the local party committees at various levels shall be determined by the next higher committees. Vacancies on the local party committees at various levels shall be filled by their alternate members in the order of the number of votes by which they were elected.

The local party committees at various levels meet in plenary session at least once a year.

Local party committees at various levels shall, when the party congresses of the given areas are not in session, carry out the directives of the next higher party organizations and the decisions of the party congresses at the corresponding levels, direct work in their own areas and report on it to the next higher party committees at regular intervals.

Article 27

Local party committees at various levels elect, at their plenary sessions, their standing committees, secretaries and deputy secretaries and report the results to the higher party committees for approval. The standing committees at various levels exercise the powers and functions of local party committees when the latter are not in session. They continue to handle the day-to-day work when the next party congresses at their levels are in session, until the new standing committees are elected.

Article 28

The party advisory committee of a province, autonomous region or municipality directly under the central government acts as political assistant and consultant to the party committee at the corresponding level. It works under the leadership of the party at the corresponding level and in the light of the relevant provisions of Article 22 of the present constitution. The qualifications of its members shall be specified by the party committee at the corresponding level in the light of the relevant provisions of Article 22 of the present constitution and the actual conditions in the locality concerned; it serves a term of the same duration as the party committee at the corresponding level.

The advisory committee of a province, autonomous region or municipality directly under the central government elects, at its plenary meeting, its standing committee and its chairman and vice chairmen, and the results are subject to endorsement by the party committee at the corresponding level and should be reported to the Central Committee for approval. Its members may attend plenary sessions of the party committee at the corresponding level as nonvoting participants, and its chairman and vice chairmen may attend meetings of the standing committee of the party committee at the corresponding level as nonvoting participants.

Article 29

A prefectural party committee, or an organization analogous to it, is the representative organ dispatched by a provincial or an autonomous regional party committee to a prefecture embracing several counties, autonomous counties or cities. It exercises leadership over the work in the given region as authorized by the provincial or autonomous regional party committee.

Chapter V. Primary Organizations of the Party

Article 30

Primary party organizations are formed in factories, shops, schools, offices, city neighborhoods, people's communes, cooperatives, farms, townships, towns, companies of the People's Liberation Army and other basic units, where there are three or more full party members.

In primary party organizations, the primary party committees, and committees of general party branches or party branches, are set up respectively as the work requires and according to the number of party members, subject to approval by the higher party organizations. A primary party committee is elected by a general membership meeting or a delegate meeting. The committee of a general party branch or a party branch is elected by a general membership meeting.

Article 31

In ordinary circumstances, a primary party organization which has set up its own committee convenes a general membership meeting or delegate meeting once a year; a general party branch holds a general membership meeting twice a year; a party branch holds a general membership meeting once in every 3 months.

A primary party committee is elected for a term of 3 years, while a general party branch committee or a party branch committee is elected for a term of 2 years. Results of the election of a secretary and deputy secretaries by a primary party committee, general branch committee or branch committee shall be reported to the higher party organizations for approval.

Article 32

The primary party organizations are militant bastions of the party in the basic units of society. Their main tasks are:

(1) To propagate and carry out the party's line, principles and policies, the decisions of the Central Committee of the party and other higher party organizations, and their own decisions; to give full play to the exemplary vanguard role of party members, and to unite and organize the cadres and the rank and file inside and outside the party in fulfilling the tasks of their own units.

(2) To organize party members to conscientiously study Marxism-Leninism and Mao Zedong Thought, study essential knowledge concerning the party, and the party's line, principles and policies, and acquire general, scientific and professional knowledge.

(3) To educate and supervise party members, ensure their regular participation in the activities of the party organization, see that party members truly fulfill their duties and observe discipline, and protect their rights for encroachment.

(4) To maintain close ties with the masses, constantly seek their criticisms and opinions regarding party members and the party's work, value the knowledge and rationalization proposals of the masses and experts, safeguard the legitimate rights and interests of the masses, show concern for their material and cultural life and help them improve it, do effective ideological and political work among them, and enhance their political consciousness. They must correct, by proper methods, the erroneous ideas and unhealthy ways and customs that may exist among the masses, and properly handle the contradictions in their midst.

(5) To give full scope to the initiative and creativeness of party members and the masses, discover advanced elements and talented people needed for the socialist cause, encourage them to improve their work and come up with innovations and inventions, and support them in these efforts.

(6) To admit new party members, collect membership dues, examine and appraise the work and behavior of party members, commend exemplary deeds performed by them, and maintain and enforce party discipline.

(7) To promote criticism and self-criticism, and expose and overcome shortcomings and mistakes in work. To educate party and nonparty cadres; see to it that they strictly observe the law and administrative discipline and the financial and economic discipline and personnel regulations of the state; see to it that none of them infringe the interests of the state, the collective and the masses; and see to it that the financial workers including accountants and other professionals who are charged with enforcing laws and regulations in their own units do not themselves violate the laws and regulations, while at the same time ensuring and protecting their right to exercise their functions and powers independently in accordance with the law and guarding them against any reprisals for so doing.

(8) To educate party members and the masses to raise their revolutionary vigilance and wage resolute struggles against the criminal activities of counterrevolutionaries and other saboteurs.

Article 33

In an enterprise or institution, the primary party committee or the general branch committee or branch committee, where there is no primary party committee, gives leadership in the work of its own unit. Such a primary party organization discusses and decides on major questions of principle and at the same time ensures that the administrative leaders fully exercise their functions and powers, but refrains from substituting itself for, or trying to take over from, the administrative leaders. Except in special circumstances, the general branch committees and branch committees under the leadership of a primary party committee only play a guarantory and supervisory role to see that the production targets or operational tasks assigned to their own units are properly fulfilled.

In party or government offices at all levels, the primary party organizations shall not lead the work of these offices. Their task here is to exercise supervision over all party members, including the heads of these offices who are party members, with regard to their implementation of the party's line, principles and policies, their observance of discipline and the law, their contact with the masses, and their ideology, work style and moral character; and to assist the office heads to improve work, raise efficiency and overcome bureaucratic ways, keep them informed of the shortcomings and problems discovered in the work of these offices, or report such shortcomings and problems to the higher party organizations.

Chapter VI. Party Cadres

Article 34

Party cadres are the backbone of the party's cause and public servants of the people. The party selects its cadres according to the principle that they should possess both political integrity and professional competence, persists in the practice of appointing people on their merits and opposes favoritism; it calls for genuine efforts to make the ranks of the cadres more revolutionary, younger in average age, better educated and more professionally competent.

Party cadres are obliged to accept training by the party as well as examination and assessment of their work by the party.

The party should attach importance to the training and promotion of women cadres and cadres from among the minority nationalities.

Article 35

Leading party cadres at all levels must perform in an exemplary way their duties as party members prescribed in Article 3 of this constitution and must meet the following basic requirements:

(1) Have a fair grasp of the theories of Marxism-Leninism and Mao Zedong Thought and the policies based on them, and be able to adhere to the socialist road, fight against the hostile forces disrupting socialism and combat all erroneous tendencies inside and outside the party.

(2) In their work as leaders, conduct earnest investigations and study, persistently proceed from reality and properly carry out the line, principles and policies of the party.

(3) Be fervently dedicated to the revolutionary cause and imbued with a strong sense of political responsibility, and be qualified for their leading posts in organizational ability, general education and vocational knowledge.

(4) Have a democratic work style, maintain close ties with the masses, correctly implement the party's mass line, conscientiously accept criticism and supervision by the party and the masses, and combat bureaucratism.

(5) Exercise their functions and powers in the proper way, observe and uphold the rules and regulations of the party and the state, and combat all acts of abusing power and seeking personal gain.

(6) Be good at uniting and working with a large number of comrades, including those who hold differing opinions, while upholding the party's principles.

Article 36

Party cadres should be able to cooperate with nonparty cadres, respect them and learn open-mindedly from their strong points.

Party organizations at all levels must be good at discovering and recommending talented and knowledgeable nonparty cadres for leading posts, and ensure that the latter enjoy authority commensurate with their posts and can play their roles to the full.

Article 37

Leading party cadres at all levels, whether elected through democratic procedure or appointed by a leading body, are not entitled to lifelong tenure, and they can be transferred from or relieved of their posts.

Cadres no longer fit to continue working due to old age or poor health should retire according to the regulations of the state.

Chapter VII. Party Discipline

Article 38

A Communist Party member must consciously act within the bounds of party discipline.

Party organizations shall criticize, educate or take disciplinary measures against members who violate party discipline, depending on the nature and seriousness of their mistakes and in the spirit of "learning from past mistakes to avoid future ones, and curing the sickness to save the patient."

Party members who violate the law and administrative discipline shall be subject to administrative disciplinary action or legal action instituted by administrative or judicial organs. Those who have seriously violated criminal law shall be expelled from the party.

Article 39

There are five measures of party discipline: warning, serious warning, removal from party posts and proposals for their removal from nonparty posts to the organizations concerned, placing on probation within the party, and expulsion from the party.

The period for which a party member is placed on probation shall not exceed 2 years. During this period, the party member concerned has no right to vote, elect or stand for election. A party member who during this time proves to have corrected his mistake shall have his rights as a party member restored. Party members who refuse to mend their ways shall be expelled from the party.

Expulsion is the ultimate party disciplinary measure. In deciding on or approving an expulsion, party organizations at all levels should study all the relevant facts and opinions and exercise extreme caution.

It is strictly forbidden, within the party, to take any measures against a member that contravene the party constitution or the laws of the state, or to retaliate against or frame up comrades. Any offending organization or individual must be dealt with according to party discipline or the laws of the state.

Article 40

Any disciplinary measures against a party member must be discussed and decided on at a general membership meeting of the party branch concerned, and reported to the primary party committee concerned for approval. If the case is relatively important or complicated, or involves the expulsion of a member, it shall be reported, on the merit of that case, to a party commission for discipline inspection at or above the county level for examination and approval. Under special circumstances, a party committee or a commission for discipline inspection at or above the county level has the authority to decide directly on disciplinary measures against a party member.

Any decision to remove a member or alternate member of the Central Committee or a local committee at any level from posts within the party, to place such a person on probation within the party or to expel him from the party must be taken by a two-thirds majority vote at a plenary meeting of the party committee to which he belongs. Such a disciplinary measure against a member or alternate member of a local party committee is subject to approval by the higher party committees.

Members and alternate members of the Central Committee who have seriously violated criminal law shall be expelled from the party on decision by the Political Bureau of the Central Committee; members and alternate members of local party committees who have seriously violated criminal law shall be expelled from the party on decision by the standing committees of the party committees at the corresponding levels.

Article 41

When a party organization decides on a disciplinary measure against a party member, it should investigate and verify the facts in an objective way. The party member in question must be informed of the decision to be made and of the facts on which it is based. He must be given a chance to account for himself and speak in his own defense. If the member does not accept the decision, he can appeal, and the party organization concerned must promptly deal with or forward his appeal, and must not withhold or suppress it. Those who cling to erroneous views and unjustifiable demands shall be educated by criticism.

Article 42

It is an important duty of every party organization to firmly uphold party discipline. Failure of a party organization to uphold party discipline must be investigated.

In case a party organization seriously violates party discipline and is unable to rectify the mistakes on its own, the next higher party committee should, after verifying the facts and considering the seriousness of the case, decide on the reorganization or dissolution of the organization, report the decision to the party committee further above for examination and approval, and then formally announce and carry out the decision.

Chapter VIII. Party Organs for Discipline Inspection

Article 43

The party's Central Commission for Discipline Inspection functions under the leadership of the Central Committee of the party. Local commissions for discipline inspection at all levels function under the dual leadership of the party committees at the corresponding levels and the next higher commissions for discipline inspection.

The party's central and local commissions for discipline inspection serve a term of the same duration as the party committees at the corresponding levels.

The Central Commission for Discipline Inspection elects, in plenary session, its Standing Committee and secretary and deputy secretaries and reports the results to the Central Committee for approval. Local commissions for discipline inspection at all levels elect, at their plenary sessions, their respective standing committees and secretaries and deputy secretaries. The results of the elections are subject to endorsement by the party committees at the corresponding levels and should be reported to the higher party committees for approval. The first secretary of the Central Commission for Discipline Inspection must be a member of the Standing Committee of the Political Bureau. The question of whether a primary party committee should set up a commission for discipline inspection or simply appoint a discipline inspection commissioner shall be determined by the next higher party organization in the light of the specific circumstances. The committees of general party branches and party branches shall have discipline inspection commissioners.

The party's Central Commission for Discipline Inspection shall, when its work so requires, accredit discipline inspection groups or commissioners to party or state organs at the central level. Leaders of the discipline inspection groups or discipline inspection commissioners may attend relevant meetings of the leading party organizations in the said organs as nonvoting participants. The leading party organizations in the organs concerned must give support to their work.

Article 44

The main tasks of the central and local commissions for discipline inspection are as follows: to uphold the constitution and the other important rules and regulations of the party, to assist the respective party committees in rectifying party style, and to check up on the implementation of the line, principles, policies and decisions of the party.

The central and local commissions for discipline inspection shall carry out constant education among party members on their duty to observe party discipline; they shall adopt decisions for the upholding of party discipline, examine and deal with relatively important or complicated cases of violation of the constitution and discipline of the party or the laws and decrees of the state by party organizations or party members; decide on or cancel disciplinary measures against party members involved in such cases; and deal with complaints and appeals made by party members.

The central and local commissions for discipline inspection should report to the party committees at the corresponding levels on the results of their handling of cases of special importance or complexity, as well as on the problems encountered. Local commissions for discipline inspection should also present such reports to the higher commissions.

If the Central Commission for Discipline Inspection discovers any violation of party discipline by any member of the Central Committee, it may report such an offense to the Central Committee, and the Central Committee must deal with the case promptly.

Article 45

Higher commissions for discipline inspection have the power to check up on the work of the lower commissions and to approve or modify their decisions on any case. If decisions so modified have already been ratified by the party committee at the corresponding level, the modification must be approved by the next higher party committee.

If a local commission for discipline inspection does not agree with a decision made by the party committee at the corresponding level in dealing with a case, it may request the commission at the next higher level to reexamine the case; if a local commission discovers cases of violation of party discipline or the laws and decrees of the state by the party committee at the corresponding level or by its members, and if that party committee fails to deal with them properly or at all, it has the right to appeal to the higher commissions for assistance in dealing with such cases.

Chapter IX. Leading Party Members Groups

Article 46

A leading party members group shall be formed in the leading body of a central or local state organ, people's organization, economic or cultural institution or other nonparty unit. The main tasks of such a group are: to see to it that the party's principles and policies are implemented, to unite with the nonparty cadres and masses in fulfilling the tasks assigned by the party and the state, and to guide the work of the party organization of the unit.

Article 47

The members of a leading party members group are appointed by the party committee that approves its establishment. The group shall have a secretary and deputy secretaries.

A leading party members group must accept the leadership of the party committee that approves its establishment.

Article 48

The Central Committee of the party shall determine specifically the functions, powers and tasks of the leading party members groups in those government departments which need to exercise highly centralized and unified leadership over subordinate units; it shall also determine whether such groups should be replaced by party committees.

Chapter X. Relationship Between the Party and the Communist Youth League

Article 49

The Communist Youth League of China is a mass organization of advanced young people under the leadership of the Communist Party of China; it is a school where large numbers of young people will learn about communism through practice; it is the party's assistant and reserve force. The Central Committee of the Communist Youth League functions under the leadership of the Central Committee of the party. The local organizations of the Communist Youth League are under the leadership of the party committees at the corresponding levels and of the higher organizations of the league itself.

Article 50

Party committees at all levels must strengthen their leadership over the Communist Youth League organizations and pay attention to the selection and training of league cadres. The party must firmly support the Communist Youth League in the lively and creative performance of its work to suit the characteristics and needs of young people, and give full play to the league's role as a shock force and as a bridge linking the party with the broad masses of young people.

Those secretaries of league committees, at or below the county level or in enterprises and institutions, who are party members may attend meetings of party committees at the corresponding levels and of their standing committees as nonvoting participants.

CSO: 4004/7

SPEECH AT THE 12TH CPC CONGRESS (6 SEPTEMBER 1982)

Beijing RED FLAG in Chinese No 18, 16 Sep 82 pp 44, 46, 47

[Speech by Ye Jianying]

[Text] Comrades:

Our present party congress is well prepared, and it is proceeding smoothly. I fully agree with the opening speech made by Comrade Deng Xiaoping. Comrade Hu Yaobang has made a very important report on behalf of the Central Committee, and the revision of the party constitution has been well done. I fully agree with both.

Our party is full of vigor and vitality. After this congress, a good number of comrades who are in their prime will take up leading positions in the Central Committee and elsewhere. This is a major sign that our party's cause is flourishing, which pleases us old comrades greatly.

The Tang dynasty poet Li Shangyin wrote the line "The phoenix chick sings sweeter than the older birds" in praise of the poetic talent of a young man. It means that late-comers surpass old-timers, and the young will excel the old. This can be said to be a basic law in the development of history and the progress of society. I hope that the newly promoted young comrades will work in close cooperation with the old comrades, shouldering heavy responsibilities and forging courageously ahead. Man's ability to acquire knowledge is unlimited, but the knowledge of any individual is limited. Hence, one must be good at learning. We believe that, so long as our comrades strive to arm themselves with communist ideology, the party's historical experience and modern science, and so long as they unite with the masses, work hard, know their subordinates well and make good use of them and readily follow good advice, they will certainly be able to do a remarkable job in their leading positions and accomplish glorious feats befitting this great epoch on the march toward China's modernization.

Following this congress, many old comrades will retire from their leading posts, as required by the development of our party's cause. Having worked diligently for scores of years, these old comrades are meritorious contributors to the revolution. The party and the people will never forget their services. The retiring comrades should not retire ideologically.

They should, by their deeds, write the last chapter of their lives well, that is to say, they should always keep the interests of the party and the people at heart and continue to do some work that is within their strength.

I am now 85, failing in health and unable to do as much as I would like. For the sake of our party's cause, I have time and again asked to retire from my leading position. However, until the Central Committee decides to grant this, I will do the best I can and devote my all to the party.

After the 12th national party congress, we shall strive to create a new situation in all fields of socialist modernization. It will be an arduous task. The new Central Committee must do still better in practicing democratic centralism and upholding the principle of collective leadership. When the wisdom and strength of the masses are pooled, all affairs become easier to deal with, difficulties are overcome, dangers averted and errors minimized--this has been repeatedly borne out by the past experience of the party. The Political Bureau and the Secretariat of the Central Committee have done fairly well in this respect, and achieved notable results in recent years. All party committees from the central down to the local levels should henceforth do likewise in order to ensure the normal functioning and correct leadership of the party and prolong the political stability in our country. I hope that this fundamental principle in running the affairs of the party and the state will be maintained and passed on from generation to generation.

That is all I want to say today. I wish this congress complete success.

CSO: 4004/7

SPEECH AT THE 12TH CPC CONGRESS (6 SEPTEMBER 1982)

Beijing RED FLAG in Chinese No 18, 16 Sep 82 pp 45, 46, 47

[Speech by Chen Yun]

[Text] Comrades:

I fully agree with the report delivered to this congress by Comrade Hu Yaobang on behalf of the Central Committee, with the draft of the revised party constitution, the opening speech made by Comrade Deng Xiaoping and with the speech made by Comrade Ye Jianying.

After the smashing of the "gang of four," our party set right its course at the 3d Plenary Session of its 11th Central Committee and then, step by step through the 4th, 5th and 6th plenary sessions, it brought the nation's political life and socialist construction onto the correct path of sound development.

However, we must be soberly aware that for various reasons, the ranks of our party's cadres have long faced the problem of aging to varying degrees, and a gap between the old and the young. Unless this problem is solved now, and satisfactorily, the cause of communism may suffer a setback in China. All comrades, particularly the old comrades, should realize the gravity and urgency of this problem.

Therefore, the satisfactory solution of the problem of the smooth succession from old cadres to younger ones is an important task facing the whole party.

The first step in solving this problem is for the old cadres to retire successively from the leading bodies.

In the recent organizational reform of the party central organs and the State Council, some old comrades vacated their "front line" leading posts. And at the recent 7th Plenary Session of the 11th Central Committee a large number of other old comrades expressed the wish to leave the Central Committee and other leading posts. This shows that our old cadres have a strong sense of revolutionary responsibility.

When the old cadres withdraw from the "front line," does it mean that they have come to the end of their revolutionary career? No, it does not. Whether they withdraw to the second line to do such work as they have the strength for or completely retire, they should support the young and middle-aged cadres in their work and take upon themselves the task of helping and guiding the latter and passing on experience to them. Only when the old cadres have fulfilled this task can it be said that they have done their bit to the last for the party and the revolutionary cause.

Besides, since the ranks of our cadres now show a gap between the old and the young, the old comrades cannot leave the leading bodies all at once. As dictated by the actual situation, some old comrades will have to remain at "front line" posts for the time being. Even so, they should devote most of their energy not to the heavy day-to-day work as before, but to helping and guiding younger people, passing on experience to them, giving advice and checking to see that major issues are handled correctly.

To effect the smooth succession from old cadres to younger ones, young and middle-aged cadres must be promoted to the leading bodies at all levels.

In connection with this question, I would like to make two points:

One is that not just a few dozen or a few hundred, but thousands and tens of thousands must be promoted. Why? Because only thus will there be enough people to take over the work of the large numbers of old comrades who retire from the leading bodies; only thus will we have a greater choice and find truly reliable successors; and only thus will it be possible to prevent the troublemakers who were promoted to leading posts during the "Cultural Revolution" from stirring up any serious disturbances in the future.

In order to promote thousands and tens of thousands of young and middle-aged cadres, we must take a developmental view in judging them and not just see that they are yet inexperienced. To be sure, the young and middle-aged cadres do not have the high working experience of the old cadres. But we should ask ourselves the question: Where does experience come from? The answer is, only from tempering in practical work. Placed in posts of responsibility and given a heavy load, the young and middle-aged cadres can certainly gain experience and gradually mature through tempering in 3 or 5 years, or at most 8 or 10 years. In addition, we can create more "assistant" posts. This would help to reduce possible resistance to the promotion of young and middle-aged cadres to full leadership. At the same time, it would enable the party organization to judge their actual leading and organizational ability before they are formally appointed as leaders.

The other point I want to make on the question of promoting young and middle-aged cadres is that none of the following three types of people should be promoted: people who rose to prominence during the "Cultural Revolution" by following Lin Biao, Jiang Qing and their like in "rebellion"; people who are seriously factionalist in their ideas; and people who indulged in beating, smashing and looting. Any of them who have already been promoted must be resolutely removed from the leading bodies.

Why should none of these people be promoted? Because if they are recruited into leading bodies, they will surface to make trouble and again harm the nation and the people when after a number of years, the political climate is right for them, when the party faces any storms.

Of course, we should realize that only a minority of the young and middle-aged people who committed mistakes during the "Cultural Revolution" belong to these three types, while the majority of them merely drifted along. As regards the latter, so long as they have really acknowledged their mistakes, made a clean break with those three types and given a good account of themselves ever since the smashing of the "gang of four," the party should trust and use them, and continue to observe and help them in the course of work.

We must also note that there are plenty of young and middle-aged people who behaved well or basically well during the "Cultural Revolution." It is mainly from among them that we should select cadres for promotion.

Apart from the three types mentioned above, there are two other types of people whom we should also not promote to leading posts. I mean people who are opposed to the line followed by the Central Committee of the party since its third plenary session, and people who have seriously violated the law and discipline in the economic and other spheres.

In short, we should on the one hand be bold and quick in promoting young and middle-aged cadres and, on the other, we should strictly insist on the political criteria. As between political integrity and professional competence, we should pay more attention to the former. In other words, we should be sure to promote people who have a strong party spirit, are honest and upright, and dare to stick to principle.

I am convinced that so long as we solve well the problem of succession from old cadres to younger ones, there will be no lack of successors to carry on the cause of our party.

CSO: 4004/7

CLOSING SPEECH AT THE 12TH CPC CONGRESS (11 SEPTEMBER 1982)

Beijing RED FLAG in Chinese No 18, 16 Sep 82 pp 48-49

[Speech by Li Xiannian]

[Text] Comrades:

The 12th national congress of our party has now successfully fulfilled its historic mission, thanks to the common effort of all the delegates.

This congress, after fully democratic discussions, has unanimously endorsed the report delivered by Comrade Hu Yaobang on behalf of the 11th Central Committee of the party and adopted a resolution to this effect. Applying the basic principles of Marxism-Leninism and Mao Zedong Thought, the report of the Central Committee sums up the great successes we have achieved in setting things to rights in all fields of endeavor in the past 6 years, particularly since the 3d Plenary Session of the 11th Central Committee, analyzes the current political and economic situation in our country and puts forth the tasks and principles for creating a new situation in all fields of socialist modernization. We believe that, by firmly advancing in the direction indicated by the 12th congress, the Chinese people, led by our party, will certainly win great new victories in the socialist cause.

After careful discussion by all the delegates, this congress has unanimously adopted the new constitution of the party, which has removed the "left" mistakes in the constitution adopted by the 11th congress and which inherits and develops the strong points of the constitutions adopted by the 7th and 8th congresses. The new constitution is a crystallization of the party's historical experience and collective wisdom, and a powerful weapon for building a stronger party, both ideologically and organizationally, in the new historical period. It should be pointed out that, while it has been relatively easy to formulate the new party constitution, it will not be as easy to implement it strictly throughout the party. We must carry on ideological education and organizational work in real earnest, resolutely rectify the party style and consolidate all party organizations as the constitution requires and fight against all words and actions that contravene the constitution, so that members of our party may truly act as good examples to the masses and that our party may truly become a strong leading core for the cause of socialist modernization.

After full deliberations and democratic election at this congress a new Central Committee and also a Central Advisory Commission and a Central Commission for Discipline Inspection have come into being. Thus a major organizational guarantee is provided for the realization of the principles and tasks set forth by the 12th congress. The new Central Committee consists both of old and long-tested comrades and of a great number of younger comrades. They will assuredly work together in close unity and cooperation and make the new Central Committee an even stronger command headquarters than its predecessor. The newly formed Central Advisory Commission consists of many old comrades of high integrity and prestige. It will assuredly serve as a good political assistant and consultant to the Central Committee and contribute to the cause of the party by helping and guiding younger comrades and passing on experience to them. The Central Commission for Discipline Inspection, now elected by the national congress of the party, is entrusted with greater responsibilities than its predecessor. It will play an important role in ensuring implementation of the new party constitution, upholding party discipline and maintaining the communist purity of the party. Here, on behalf of the presidium of this congress, and the old comrades on it in particular, I would like to express our warm welcome to the young and middle-aged comrades who have been elected to the central leading organs. We hope that they will guard against conceit and impetuosity, be modest and prudent, study diligently, shoulder with courage the tasks assigned them by the party and achieve outstanding results in their work.

Comrades! How well our party will do its work in the 5 years between the present congress and the next will be a matter of key importance to the realization of the general task set for the new period. This congress has proposed that we should, in these 5 years, bring about a fundamental turn for the better in three spheres, namely, the financial and economic situation of our country, the standards of social conduct, and the style of our party. At the same time, we must work together with our compatriots in Taiwan, Xianggang (Hong Kong) and Aomen (Macao) and Chinese nationals residing abroad to promote the reunification of our motherland. And we must wage a common struggle with the people of all countries to safeguard world peace. These are great, solemn and arduous fighting tasks, and we must not in the least slacken our effort. As soon as this congress is over, we must bestir ourselves and intensively propagate the spirit of the congress throughout the party and among the people of all nationalities. We will organize all party members, Communist Youth League members, workers, peasants, intellectuals, Liberation Army commanders and fighters, cadres and all other patriotic citizens to conscientiously study the report of the Central Committee to this congress, the new party constitution, Comrade Deng Xiaoping's opening speech and the important speeches made by Comrades Yi Jianying and Chen Yun, so that the principles and tasks set forth by the congress will be made known to everybody and will strike root in the hearts of the people. In the meantime, we must, in the light of the specific conditions in different localities and departments, adopt practical and effective measures for the full realization of these principles and tasks.

Comrades! While striving to accomplish the various fighting tasks set by the 12th party congress, we must further strengthen the great unity of the whole party and of the people of all nationalities in our country. Our great socialist cause is advancing victoriously along the correct path of Marxism. We are convinced that, so long as we rally closely round the Central Committee, rouse ourselves and work assiduously, we shall be able to steer the great ship of our revolution and construction steadily toward our great goal.

Throughout the congress, all the comrades working for it, including the secretarial staff, those in charge of general affairs and those engaged in security, medical care and other daily services, in drafting and translating the documents and covering the congress, in communications and liaison services, and in printing the documents--all these comrades have been working hard day and night to help make the congress a success. People of the Beijing municipality have also made their contributions. Here, on behalf of the presidium of the congress, I would like to convey our heartfelt thanks to them.

Now, I declare the successful conclusion of the 12th National Congress of the Communist Party of China.

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HOLD HIGH THE BANNER OF COMMUNISM, ADVANCE BRAVELY ALONG THE ROAD CHARTED BY THE 12TH CPC CONGRESS

Beijing RED FLAG in Chinese No 18, 16 Sep 82 pp 50-54

[Editorial]

[Text] The victorious opening of the 12th CPC National Congress is an important event in the political life of our whole party throughout the country. It has made great achievements by fully realizing its target; this has encouraged the whole party, army and all nationalities and fired them with enthusiasm.

As Comrade Deng Xiaoping pointed out in his opening speech at the 12th CPC Congress, this is the most important conference since the 7th CPC National Congress. It is a milestone in the history of the socialist revolution and the construction of the country. Its great significance and profound influence is bound to be increasingly displayed in the process of the country's socialist and communist construction.

The great achievements of the congress are as follows:

Having made a scientific summary of historical experiences and a profound analysis of the present situation, the congress has enriched and developed the correct Marxist line reestablished since the 3d Plenary Session of the 11th CPC Congress, laid down a new fighting program and task and posed a series of more complete and mature principles, policies and measures to continue to eliminate the negative influence caused by the 10 years of internal disorder and to create a new situation in all fields of socialist modernization. It has thus charted the correct road for continuing the advance and has provided a precise guide for action.

It suits the character and needs of this historical period in all fields of socialist construction; it concentrates the knowledge of the whole party; it has summed up the experience of building a proletarian party in power; and it has drawn up a new party constitution which is more substantial and complete than any other in our party's history. Thus, it has provided a brilliant guide and powerful weapon for making our party into a solid core leading the construction of socialist modernization.

After full deliberations and democratic voting, a new Central Committee was elected; at the same time, a Central Advisory Commission and a Central Commission for Discipline Inspection were also elected. In the new central leading organ, there are seasoned proletarian revolutionaries of the older generation who act as its mainstay and a great number of younger cadres full of vigor, ability and political integrity acting as its vital force. This has been a great step in the cooperation between the young and old cadres and in the process of handing over responsibility. It has fully demonstrated that the ranks of our party's cadres are of long standing and well established and that there is no lack of successors to carry out the communist cause of our party. This new party Central Committee will undoubtedly become a fighting and vigorous command post trusted by the people of all nationalities of our country.

History is the fairest mirror. If we say that the 7th CPC National Congress, convened and presided over by Comrade Mao Zedong in 1945, summarized the historical experiences of the tortuous, 20-year-long development of the democratic revolution, formulated a correct program, line and strategy and unified party thinking on the basis of Marxism-Leninism and Mao Zedong Thought, and thus laid the foundations for the national victory of the new democratic revolution, then the 12th CPC Congress, by drawing up the correct line, strategy and corresponding general and specific policies for continued advance after that great historical turning point, will lay a solid foundation for making a complete new breakthrough in the socialist modernization drive.

Historical experiences merit our attention. Seven years after the founding of the People's Republic of China, and after the transition from new democratism to socialism in our country, our party convened the eighth national congress in 1956. This congress made a correct analysis of the class, economic and political situations after the completion of socialist transformation, and clearly pointed out that in our country, the exploitative system and the exploiting classes had already been abolished, the principal contradiction in the country being no longer the contradiction between the working class and the bourgeoisie but the contradiction between economic and cultural development and the daily increasing demands of the people. It pointed out that the principal task of the whole people was no longer to conduct class struggle but to concentrate our energy on developing social production forces, to carry out the state's industrialization and to gradually meet the increasing material and cultural demands of the people.

The congress has adopted correct resolutions on building a proletarian party in power, particularly in terms of strengthening the party's democratic centralism and collective leadership and opposing personality cults. It has proved that the line of the Eighth CPC Congress is correct and it has charted the right way to socialist construction and the building of the party in the new era of the country. However, although a series of correct policies was put forward by the Eighth CPC Congress, these policies were not made concrete or profoundly understood by the whole party due to lack of practical experience in, and ideological preparation for, socialist construction. Consequently, they were not properly implemented or developed.

For more than 20 years from the 8th CPC Congress until the 10 years of turmoil, although our people made various important achievements in socialist construction, they suffered distressing setbacks and fell far short of achieving what had previously been hoped for.

Now the situation at the time of the 12th CPC Congress is completely different from that of the 8th CPC Congress. The CPC has learned a profound lesson from the tortuous historic development of the socialist revolution and construction over the 20 years after the 8th CPC Congress, just as it learned a profound lesson from the tortuous historic development of the 20-year-long democratic revolution prior to the 7th CPC Congress. For the past 6 years, after smashing the Jiang Qing counterrevolutionary clique, particularly since the 3d Plenary Session of the 11th CPC Central Committee, after exposing and criticizing the crimes of the Lin Biao-Jiang Qing counterrevolutionary cliques, scientifically criticizing the "Cultural Revolution" and its previous "left" tendency errors, bringing order out of chaos and taking measures for thoroughgoing reform, the party's ideological line has been brought back onto the track of Mao Zedong Thought. Our party has not only resumed various correct policies which had been effectively implemented for many years in the past, but has also formulated a series of new and correct policies in its new practice by conscientiously studying new conditions and summing up fresh experiences. Apart from restoring the true face of Mao Zedong Thought, our party has upheld and developed it under new historical conditions. Although there exist various unsatisfactory aspects in the party's work, style and organization, our party has, in general, reached a higher level than at any time since the founding of the state, in terms of comprehending the objective laws of socialist construction, conscientiously and firmly implementing the Marxist line, policies and principles, grasping the overall situation and strategically and farsightedly creating a new situation in all fields. The current CPC Central Committee is a solid, harmonious, united and militant collective body and is a leading core able to direct a complicated situation. History and reality have fully proved that by taking the precise guide to action provided by the 12th CPC Congress, we will certainly be capable of steering the vessel of Chinese socialism and communism along the correct channel, advancing step by step toward the great goal set for us.

The report made by Comrade Hu Yaobang at this congress demonstrates the spirit of the 12th CPC Congress. Having summarized the great achievements and rich experiences gained by our party through its efforts to bring about a great and historic change over the past 6 years, the report posed the overall task for the CPC in the new historical period, that is, to unite the people of all nationalities, to be self-reliant, to work hard and to gradually realize industrial, agricultural, national defense, scientific and technical modernizations in order to build a highly civilized, democratic socialist country. Precisely according to the requirement of the general task and based on the current situation of the country, the report puts forward to the entire party, army and people of the whole nation both the long-term target for endeavor and the most pressing current demands; stresses the central task to be realized by concentrated forces and the various tasks the execution of which is the guarantee for this central task. Thus, it has worked out a scientific blueprint for creating a new situation in all fields in line with our country's actual conditions.

The economic construction of socialist modernization is our central task. The outcome of economic work and construction will finally decide the result of other endeavors as well as the future and fate of our nation. Based on the comprehensive analysis of the actual national economic situation and the future trend of its development, the CPC Central Committee has precisely worked out the target for increasing the total annual industrial and agricultural output by 300 [as published] percent over the 20 years from 1981 to the end of this century. This is a magnificent goal and one which can be achieved through hard work. In order to achieve this goal, looking at the overall national economy, during the next 20 years we must tightly grasp the key links of agriculture, energy, transportation, education and science, seeing them as strategic points in our national economic development. In order to achieve this goal, our strategic plan must consist of two steps, first to put stress on laying a solid foundation in the first decade, to accumulate forces and to create conditions, and second, to enter a new period of vigorous economic development in the second decade. During the 5-year period from the current CPC Congress to the next congress, in order to smoothly carry out this strategic plan, economic work in all fields should lay stress on raising economic results, further implementing readjustment, reform and restructuring, improving all policies and measures of the national economy, markedly improving economic results in all national economic departments and steadily maintaining a fundamental balance in the areas of finance, credit and price. This is the basic policy and task for the current and coming economic work determined by the 12th CPC Congress.

Socialist practice over the past several decades has proved that the building of material civilization must go hand in hand with the building of a high level of socialist spiritual civilization. For these two civilizations, in a socialist society, are interdependent, each taking the other as its own aim, and neither should be overemphasized at the expense of the other. Apart from abolishing exploitation and realizing the system of public ownership, practicing distribution according to work, making the people the masters and implementing a planned economy with the ultimate aim of developing productive forces and labor productivity greater than those in capitalist society, socialist spiritual civilization, which takes communist ideology as its core, also constitutes an important symbol of socialist society. Practice has proved that it is impossible to carry on socialist construction without this spiritual civilization. If we overlook the building of socialist spiritual civilization, people might well have only a one-sided understanding of socialism, the building of material civilization will quite possibly diverge from the socialist road and socialism will be in danger of degenerating. Based on the theoretical and political viewpoints of Marxism, the 12th CPC Congress' report has made a correct exposition and scientific explanation of the relations between socialist material and spiritual civilization and of the importance, purpose, content and requirements of strengthening the building of socialist spiritual civilization. This is an important characteristic of the 12th CPC Congress' report. In order to develop the building of socialist material and spiritual civilizations in a manner of mutual promotion, we must strive to create a high level of socialist democracy, further improve the socialist legal system and consolidate and strengthen the people's democratic dictatorship. We must, on the one hand, guarantee that working people are the true masters and, on the other, guarantee the exercise of dictatorship over all those hostile elements, who sabotage and adopt a hostile attitude toward socialism. As for the first guarantee, socialist democracy should be expanded to political, economic, cultural and social life. Equal relations between people and correct relations between the individual and society are established on the basis of the principles of socialist democracy. As to the second guarantee, at present, we must resolutely and thoroughly carry out the struggle against important criminal activities in the economic, political and cultural fields which endanger socialism. Only in this way can we safeguard the building of socialist material and spiritual civilizations.

In addition, we should strive to strengthen national defense and safeguard the security and independence of the motherland; we should strive for the reunification of the motherland with our compatriots in Taiwan, Hong Kong and Macao as well as with Chinese residents abroad; we must uphold the foreign policy of independence, oppose imperialism and hegemonism, safeguard world peace and promote the progress of mankind by allying ourselves with the people of the whole world, particularly with Third World countries and people. Only in this way can we nationally complete reunification of the motherland and internationally strive for lasting peace in our environment so that the people of the country can concentrate their attention on the endeavor for socialist modernization.

On no account can all of the above-mentioned aims be easily realized. In order to attain them, it is necessary to persevere to the end with the reform of the party and government organs in which initial achievements have already been made, and to further ensure that the ranks of the cadres become more revolutionary, younger in average age, better educated and more competent. It is especially important to do our best in building our party in accordance with the new party constitution. The current 12th CPC Congress has decided in the next 3 years to complete the all-round rectification of our party style, the consolidation of its organizations and the reregistration of all its members. This is an important resolution which will win the full trust of the party and people.

The content of the congress' report is very wide-ranging. Its basic content can be summarized as follows: It has one central task which must be grasped from beginning to end and four important jobs which must be grasped at present. The one central task is: socialist economic construction. The four important jobs are: 1) the continuation of reforms of organs and economic systems; 2) great efforts to build socialist spiritual civilization; 3) a resolute attack on all types of important criminal activities which damage socialism; and 4) the rectification of party style, the restructuring of organizations and the support and improvement of party leadership. The proper execution of these four types of work will provide the fundamental political guarantee for smoothly carrying out modernization construction and persevering in the direction of socialism. In order to effectively concentrate the will and the actions of the whole party and the people of all nationalities of the country, and in accordance with the above-mentioned central task and important work, the 12th CPC Congress has raised the slogan for attaining three fundamental turns for the better. That is to say, in the coming 5 years from the current congress to the next congress, it is essential to achieve a fundamental turn for the better in the state's financial economy, in the social mood and in the party style. Having made these three fundamental turns for the better, and in 5 years' time when our party convenes its 13th national congress, an encouraging new situation will emerge before us in the construction of socialist modernization, and the whole party and people of all nationalities will be more confident of winning even greater victory in the cause of socialism and communism.

The ultimate aim of the CPC is to realize its lofty ideal of communism. For the past half century, each victory won by the Chinese people under the party in revolution and construction has been a victory gained under the guidance of the communist ideological system and a practical step toward the long-range goal of communism. Although the complete realization of communism, which is the most rational, complete and perfect social system in the history of mankind, can only come about after a long process of endeavor by several generations, as a means of propagating a scientific ideological and theoretical system and of putting communist ideology into practice in carrying on the revolutionary movement, the system of communist ideology has been in existence since the birth of the Communist Party in China and the new democratic revolution under its leadership. Today, communism not only exists in the daily life of the country but has also been developed through the establishment of socialist society, as an initial stage of communist society. Therefore, it should on no account be considered, as it is by some people, as an "idle dream," within sight but beyond reach, as an abstract ideological concept that has never been tested in practice.

Therefore, whether in periods of democratic revolution or socialist transformation or, needless to say, in the period of comprehensive socialist construction, all lines and general and specific policies of our party, and all its revolutionary struggles and practices, are based on the communist ideological system and take the realization of the lofty ideal of communism as their direction and goal. The scientific proofs and theoretical expositions set forth by the 12th CPC Congress in its report on this question constitute the basic governing ideology of the congress. Of course, it does not mean to lump together the communist system to be realized after a long period of time in our country with the existing socialist system. It does not mean to replace the current socialist policy with the communist policy that is to be realized in the future and it does not mean that we should unrealistically urge every member of society in our country to become communist. We should not rush blindly into communist transition. We have in the past learned a profound lesson in this respect. At the present stage, we must stick to the system of distribution according to labor and to other socialist systems in economic and social life. However, in the new historical period of comprehensive socialist construction, we must further urge all

Communist Party members, Communist Youth League members and progressive elements to be guided in their actions by communist ideals, faith and morality, to resist the corrosive influence of bourgeois ideology and lifestyle and always to maintain the communist purity of the party. At the same time, we should also persist in educating and influencing the masses of people with communist ideology and bring up every social member as an idealist, moral, cultured and disciplined laborer so that social relations between members of society in our country are formed and developed with the reflection of socialist spiritual civilization as their principal content. In this regard, all communist members and progressive elements, particularly leading cadres at all levels, must take the lead and set an example to influence and unite the broad masses of people and to unite them under the banner of the 12th CPC Congress. Only in this way will our country's socialist society be able to resist the corrosive influence of bourgeois decadent ideology, remaining feudal ideology and other nonproletarian ideologies and always be able to keep its revolutionary spirit young and vigorous. Only by doing so will our party be able to display its new outlook and powerful fighting force, to reflect the desires of the whole people and their fundamental interests. And only by doing so will our whole party, army and people of all nationalities be able to fully carry out the militant program and task put forward by the 12th CPC Congress and promote the cause of socialism and communism.

The opening speech made by Comrade Deng Xiaoping constitutes the general governing ideology of the spirit of this congress. He said that by summing up our basic experience, "we must proceed from China's realities, integrate the universal truth of Marxism with the concrete realities of China, blaze a path of our own and build socialism with Chinese characteristics." Comrade Deng Xiaoping added that "China's affairs must be handled in the light of China's conditions and based on the Chinese people's strength." The source of the energy resides in the broad masses of Chinese people and Chinese workers, peasants, intellectuals and all other patriotic elements. Today, the CPC is a big party of 39 million members, shouldering the heavy burden of guiding the cause of socialism and communism. However, Communist Party members always constitute a minority among the Chinese people. Just as our party in the past exercised leadership in the democratic revolution but gained final victory only by depending on the hard struggle of the broad masses of people, today, only by depending on the hard struggle of the people will our party be able to achieve the construction of socialist modernization. Now, our party heads the regime and occupies the leading position in state life; this is the difference from the democratic revolution. Comrade Hu Yaobang specially pointed out in his report that the party's leading position "determines that its activities will vitally affect the interests of the masses, but at the same time means that party members, and party cadres in particular, may easily be in danger of becoming isolated from the masses." All party members and leading party cadres must be highly aware of this danger.

We must conscientiously adhere to and carry on the party's fine tradition of the mass line and effectively strengthen the close relations between the party and the masses of people. All party members and cadres must, in light of the strict demands set forth by the new party constitution, listen to the voice of the masses of people, attach importance to their interests, subject themselves to supervision by the masses and on no account must they take advantage of party and state power as an instrument for seeking their own interests. We have only the duty to serve the people and never the right to "profit" at the expense of the masses and the state. As party members we must be qualified party members, as cadres we must be qualified cadres, and as citizens we must be Chinese people with national dignity and pride. To love the motherland, to work honestly and to devote ourselves to the socialist drive of the motherland is a glorious and lofty cause. And it is shameful and contemptible to harm the dignity and honor of the motherland, the cause of socialism and the interests of the people and state. Only by setting an example in the glorious and lofty undertaking and resolutely resisting and fighting against shameful and contemptible deeds, will all of us, party members and cadres, fulfill our duty.

The successful opening of the 12th CPC Congress and its great achievements have indicated the bright prospect of the socialist and communist undertakings of the country. All party members, army and people of all nationalities, and party cadres in particular, must conscientiously study the congress' documents, deepen our understanding of the congress' spirit, effectively put it into action and resolutely and enthusiastically devote ourselves to creating a new situation in all fields of the socialist drive. Filled with revolutionary pride and under the guidance of Marxism-Leninism and Mao Zedong Thought, let us unite around the CPC Central Committee, hold high the banner of communism and boldly and resolutely march forward along the road charted by the 12th CPC Congress with one heart and mind!

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THE CORRECT PROGRAM FOR CREATING A NEW SITUATION

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[Article by RED FLAG commentator]

[Text] The party's historical experience shows us that it is not an easy job to use Marxism as a weapon, understand the laws governing the development of the Chinese revolution and correctly solve problems in the revolution according to China's specific conditions. It is a long process to go from incomplete knowledge to fairly complete knowledge, from the understanding of things by a few people to understanding by the whole party and from the understanding of principles to the formulation and practical implementation of specific principles and policies. In this long process, setbacks and failures are hard to avoid because of mistakes made. It took more than 20 years for the party to grasp the laws governing the democratic revolution. Following the failure of the great revolution in 1927, the Sixth CPC National Congress, held in 1928, determined the nature and tasks of the Chinese revolution, which were correct in principle but neither complete nor specific. So the Chinese revolution still took a difficult, tortuous course after the congress. The whole party did not gradually gain a unified, correct understanding of the basic problems in the Chinese revolution until the war of resistance against Japan. The Seventh CPC National Congress, convened in 1945, summed up the experiences of the democratic revolution and, on the basis of a grasp of the objective law governing the Chinese democratic revolution, formulated a comprehensive, correct program and tactics, thus laying a foundation for the nationwide victory of the new democratic revolution.

Following the nationwide victory of the revolution, our party was faced with new historic tasks. The transition from new democracy to socialism and the socialist transformation of private ownership of the means of production were made rather smoothly. The party held its eighth national congress in 1956 after the socialist transformation was mainly complete. The analysis of the situation then and the task set by the congress to build socialism in an all-round way were correct. At that time, however, the party was still far from being able to say that it had grasped the laws governing the development of the socialist revolution and construction in China. As the democratic revolution did after the Sixth CPC National Congress, so our socialist cause took a difficult, tortuous course after the Eighth CPC

National Congress. We made many achievements, but the setbacks we met with were extremely serious. The 12th CPC National Congress was held 26 years after the 8th CPC National Congress. The former inherited some correct ideas of the latter and greatly developed and enriched those ideas. Now the party is far more mature and its grasp of the laws governing the socialist cause is far more profound than at the time when the Eighth CPC National Congress was held. In his opening speech at the 12th CPC National Congress, Comrade Deng Xiaoping regarded this congress as the most important meeting since the Seventh CPC National Congress. He said: "Just as the 20-odd years of tortuous development of our democratic revolution before the seventh congress taught the whole party how to grasp the laws governing that revolution in China, so the 20-odd years of tortuous development of our socialist revolution and construction after the eighth congress taught the whole party profound lessons."

On behalf of the 11th CPC Central Committee, Comrade Hu Yaobang made a report on the basis of a summing-up of the rich experiences of the socialist revolution and construction over the past 30 years. These experiences include successful ones as well as lessons in setbacks and failures. It is of particularly great significance to learn from past mistakes and experiences in setbacks and failures. The question here is whether or not we are good at doing so. The practice since the 3d Plenary Session of the 11th CPC Central Committee proves that our party has the courage and ability to engage in such study.

In the past 4 years, the policies implemented by the party in the economic, political, cultural and other fields have made it possible to revive our correct traditions, to correct and prevent both "leftist" and rightist deviations and to make many new creations on the basis of studying new situations and experiences. Without the practical experiences gained in the past 4 years, it would have been impossible to formulate the comprehensive program embodied in this report. This report fully reflects our party's profound knowledge of the laws governing China's socialist construction. It also shows that our party is able to conscientiously and resolutely implement our correct program. We can certainly bring about a new situation in socialist modernization provided the whole party and the people throughout the country make concerted efforts to carry out the program adopted by the 12th CPC National Congress.

What are the important characteristics of the contents of the report to the 12th CPC National Congress?

First, in the light of the actual situation in our country, the report has laid down strategic goals, principles and policies for the development of our socialist economy.

Comrade Deng Xiaoping said in his opening speech at the 12th CPC National Congress: "In our modernization program, we must proceed from China's realities. Both in our revolution and construction, we should learn from foreign countries and draw on their experience. But mechanical copying and application of foreign experience and models will get us nowhere. We have had many lessons in this respect. To integrate the universal truth of Marxism with the concrete realities of China, blaze a path of our own and build socialism with Chinese characteristics--this is the basic conclusion we have reached in summing up long, historical experience." The modernization program is, of course, not limited to economic construction, but first of all we must promote economic construction.

Since the convocation of the 3d Plenary Session of the 11th CPC Central Committee, our party has firmly shifted the focus of the work of the party and state to economic construction. This is completely necessary and correct. The report to the 12th CPC National Congress pointed out that, in creating a new situation of socialist modernization, the primary task is to bring about an all-round upsurge in the socialist economy.

The Eighth CPC National Congress in 1956 had, in fact, decided to make economic construction the central task of our country. It was a strategic shift, geared to the actual situation of that time, and should have been implemented. However, summing up the mistakes made by our party following the 8th CPC National Congress through the period of the "Great Cultural Revolution," we can see that, "in the final analysis, the mistake we made in the past was that we failed to persevere in making this strategic shift," as pointed out in the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" adopted by the 6th Plenary Session of the 11th CPC Central Committee. It was mainly because we failed in properly handling the relationship between economic and political work and the party did not fully understand the necessity for this strategic shift. In addition, the party implemented some impractical principles running counter to objective law. In reviewing the prolonged "left" mistakes in our past economic work, the resolution of the 6th Plenary Session of the 11th CPC Central Committee pointed out that they consisted chiefly in "departing from Chinese realities, trying to exceed our actual capabilities and ignoring the economic returns of construction and management as well as the scientific confirmation of our economic plans, policies and measures, with their concomitants of colossal waste and losses." Therefore, although we made some great achievements in economic construction during the 10 years following the 8th CPC National Congress, we acted blindly to a great extent. Our targets could often not be realized and we even suffered setbacks.

After a profound summing-up of past experiences and lessons, our party has now gradually eradicated the prolonged "left" mistakes and has formulated a series of principles and policies in conformity with the actual current conditions of our country. Thus our economy has passed the most difficult period and is now on the healthy track of steady development.

The report to the 12th CPC National Congress has set strategic targets, emphasis and steps for the economic construction of our country in the two decades between 1981 and the end of this century and has explained a number of important, principled questions which should now be meticulously solved. Accordingly, it has formed a relatively complete economic program. This program calls for striving to quadruple the gross annual value of industrial and agricultural production from 710 billion yuan in 1980 to 2,000 billion yuan or so in 2000 on the basis of constantly raising economic results.

This is a grand goal. However, this program is not purely one of speed. In the first half of the next two decades, it only calls for making attainable progress slowly. During this 10 years, it is necessary to improve operation and management of various enterprises, carry out readjustment and reorganization of various enterprises, renovate equipment and facilities and introduce technical innovation. In addition, it is necessary to make reasonable adjustments in the system of economic management and in the economic structure of various fields.

In the first decade the state, while continuing to improve the people's living standards, should appropriately concentrate funds on key construction projects, such as those in energy and communications. By doing all such work well, we will be able to lay a solid foundation, accumulate strength and create conditions for economic construction in the second decade. Then, our economy will be able to develop faster and enter a period of vigorous development. In the coming 20 years, it is necessary to firmly grasp these basic links--agriculture, energy, communications and science--to bring about a faster development of the production of consumer goods, to promote the development of industry as a whole and all other production undertakings and to ensure improvement in the people's living standards.

In socialist economic construction, there are many new questions, including specific ones concerning the reform of the economic structure, which we should continue to explore. However, it should be recognized that the economic program set out in the report to the 12th party congress is one that reflects, to a considerable extent, the objective laws governing our country's economy. This program makes it possible for us not to repeat past mistakes of losing contact with reality and blindly making a rash advance, or hesitating to make a move in the face of problems and difficulties calling for a solution. Great efforts have to be made to carry out this program, but it can be carried out. With this program ensuring that our party and state lay the stress of their work on economic construction, we will be able to advance steadily toward the grand goal of economic construction in the last two decades of this century.

Second, the report to the 12th party congress correctly handles the relationship between economics and politics, particularly calls for building a high level of socialist spiritual civilization, while striving for a high level of modern material civilization and emphatically points out that socialist material and spiritual civilization must be built with the support and safeguards of socialist politics.

How to correctly handle the relationship between economics and politics, or between economic work on the one hand and ideological and political work on the other, is a matter of great importance in socialist construction. We suffered many losses in the past because we failed to correctly handle this relationship.

Put forward in the "Great Cultural Revolution" was the slogan that politics must overwhelm everything. Those who put forward this slogan actually regarded politics and economics as separate things which categorically oppose each other.

They held that when attention was paid to economic work, politics would be forgotten and that to attach importance to politics, it was necessary to oppose the so-called "theory of productive forces." This actually means opposing the development of production and the economy. Of course, putting economics in the wrong relationship with politics was not the only mistake made in the "Great Cultural Revolution" (here we are not dealing with the counterrevolutionary activities by the Lin Biao and Jiang Qing cliques during the "Great Cultural Revolution"). The ideological and political guiding principle for the "Great Cultural Revolution"--"taking class struggle as the key link" and "continuing the revolution under the dictatorship of the proletariat"--are fundamentally wrong. This was clearly explained in the resolution of the 6th Plenary Session of the 11th CPC Central Committee. The wrong ideological and political guiding principles naturally can only bring damage to the socialist economy and even play a disruptive role in this regard.

The report to the 12th party congress calls for bringing about a fundamental turn for the better in three aspects--in the country's financial and economic situation, in the general mood of society and in the party's work style. The three aspects are related, and the latter two fall into the ideological category. A fundamental turn for the better in the financial and economic situation depends on one in the party's work style and the general mood of society.

Carrying out economic construction as the central task of the party and the state, of course, does not mean doing away with or weakening ideological and political work. What is important is that all our political and ideological work, in the final analysis, is conducive to bringing the people's enthusiasm and initiative into full play in socialist construction and to carrying out socialist construction by them in an organized way.

The socialist system has not emerged and developed spontaneously. The factors which have promoted the development of the capitalist economy and society are the capitalists' profit-seeking and the laboring people's desire to earn a living. The contradiction and contention between the bourgeoisie and the proletariat cannot be solved by the capitalist system itself.

The socialist system has liberated the laboring people from the exploiting system and has also liberated them spiritually. It has formed a society in which the interests and will of the overwhelming majority of people are the same. The report to the 12th CPC National Congress cited Lenin's words: "The vigorous and creative socialism is created by the people themselves."

Ideological and political work cannot replace economic work of course and socialist construction must rely on hundreds of millions of people with political consciousness. Socialism can develop gradually and successfully only when the masses willingly work for the public interest of the collective, make efforts to master professional skills, take part in various socialist reforms and consciously fight against the remnant forces and ideology of the old society and against all factors which are harmful to socialism.

When we talk about the political life of our country, we must first see that we have already established the socialist system, that the laboring people are now the masters of the country and that the exploiting class has already been wiped out as a class. Our society is now different from the historical class society in principle. In a class society ruled by the exploiting class, social contradictions were mainly expressed in terms of struggle between the opponent classes and most social contradictions had a class nature. The laboring people must overthrow the rule of the exploiting class and reject and destroy the legal system of a country ruled by the exploiting class in order to win liberation. In our country at present, however, class struggle is no longer the main contradiction in society and most of the social contradictions do not have a class nature. Fundamentally speaking, most social contradictions can be solved in accordance with democratic principles. Therefore, the main task of political construction in our society is to develop the established socialist democracy step by step and in an orderly manner, and to closely integrate the building of democracy with the building of socialist legal system.

It is completely wrong for us not to see the difference between our country's society and the past class society and carry on the so-called "revolution of one class overthrowing another." It is also totally wrong for us not to see that the masses of people are the builders of socialism and masters of the country and that they overlook the building of socialist democracy and the socialist legal system.

On the other hand, we must see that in the life of our country we still cannot eliminate dictatorship and have democracy alone. The hostile elements that want to undermine our socialist system are still in existence and may emerge in the future. The report to the 12th CPC National Congress pointed out: "The class struggle at the present stage chiefly takes the form of struggle by the people against these hostile elements." Class struggle will continue to exist within a certain scope for a long time and may even sharpen under certain conditions. Therefore, our society at present is different from the future socialist-communist society in which class struggle will cease completely. It is also completely wrong for us not to see this difference and to discard the function of dictatorship of the state and lower our guard in fighting against class enemies.

The report to the 12th CPC National Congress has indicated the principles for building a high level of socialist democracy and handling class struggle in accordance with our country's system of people's democratic dictatorship. The proper solution of these kinds of problems has a significant bearing on our socialist construction.

The report to the 12th CPC National Congress has theoretically discussed the question concerning the building of socialist spiritual civilization as a strategic matter. In a socialist society, material civilization is an indispensable foundation for socialist spiritual civilization. The building of socialist spiritual civilization will become empty talk if we do not strive for progress in material production and for improvement in people's material life in society. Under the socialist system, socialist spiritual civilization does not automatically develop with the development of material civilization, nor does a high level of spiritual civilization occur only after material civilization becomes highly developed. We should strive to build a high level of spiritual civilization while building material civilization. The report pointed out: "Socialist spiritual civilization gives tremendous impetus to material civilization and ensures its correct orientation." Therefore, we should never overlook the building of spiritual civilization and pay attention only to material civilization. Socialist spiritual civilization, with communist ideology at its core, is a characteristic that socialism must possess. Without such spiritual civilization, the building of socialism would be out of the question and material civilization would go astray even if it were developed. This is a very important conclusion we have reached by summing up historical experience.

According to Marxist-Leninist theory, a socialist cultural revolution is a revolution to criticize all old thinking, which is the product of the exploitation system and is incompatible with socialism, and to enable the broad masses of working people to grasp culture which is monopolized by the minority of people in the exploiting classes. After the October Revolution, Lenin often pointed out the tasks of the cultural revolution in this sense. He attached great importance to educating the masses in communist ideology and to cultural popularization work, beginning with the elimination of illiteracy. He also emphatically pointed out that socialism must absorb and transform all valuable things yielded in the development of thinking and culture of mankind in the past 2,000 or 3,000 years. The 10 years of internal strife confused the meaning of cultural revolution. The "Great Cultural Revolution" even became anticultural. It, of course, had nothing at all in common with the cultural revolution mentioned by Lenin. The building of socialist spiritual civilization, which we are talking about, includes communist ideological building and cultural establishment under the guidance of communist ideology. It, of course, also includes the contents of Marxist-Leninist cultural revolution and cultural establishment. The report says: "All party members and other advanced persons in our society must continuously propagate advanced ideas and set an example by their own deeds to inspire more and more members of our society to become working people with lofty ideals, moral integrity, education and a sense of discipline." This is an important component part of our socialist construction program.

Third, the report to the 12th party congress suits the character and demands of the new historical period and puts forward the principles for strengthening party building and improving party leadership.

The 12th CPC National Congress adopted the new party constitution. The report to the congress has raised the important question of party building. In a speech delivered in January 1980, Comrade Deng Xiaoping called for "upholding and improving party leadership." He pointed out: "We uphold the four basic principles--that is, to uphold socialism, the dictatorship of the proletariat, Marxism-Leninism and Mao Zedong Thought, and the party leadership. The core of the four upholds is to uphold the party leadership." He also said: "In order to uphold the party leadership, we must strive to improve the party leadership." Both the new party constitution and the report to the 12th party national congress are permeated with the spirit of striving to improve the party leadership.

The leadership exercised by the CPC has been established through a long period of revolutionary struggle. Without the Communist Party's leadership, there would have been no victory in the Chinese revolution, no unity among the people of the country and no socialist new China, and it would be impossible to achieve the four modernizations and lead the country onto the path of prosperity. It is certainly wrong to think that the Communist Party's leadership is of no importance and can be dispensed with. But on the other hand, it is one-sided to think that, as far as our party is concerned, there is no problem in upholding the party's leadership and that the question lies merely in asking the masses outside our party to recognize our party's leadership. It is true that upholding the party's leadership is a principle commonly recognized by the people of our country, but the principle itself is, above all, a strict demand placed on our party.

How to uphold party leadership is not a simple question. If our party's stand is not correct and if our party cannot pool together the correct views of the masses, reflect their fundamental interests and make the correct stand acceptable to the masses through propaganda, education and practice and transform it into their conscious actions, how can we uphold the party's leadership? If our party itself has no high degree of ideological and political consensus and no strict organization and discipline, how can we unite and lead our 1 billion people to take common action? If the Communist Party members themselves lack the spirit of dedicating their whole lives to the communist ideal, if they cannot serve the people wholeheartedly and if they think only of their personal interest, how can we talk about leading the people in building socialist spiritual civilization? If our party is amateurish in its various undertakings and is not good at asking professionals concerned for advice and at rallying them to work together, how can we lead socialist construction?

It is true that the party made mistakes in the past and that it is possible to make mistakes in everything it does in the future. However, the party should be able to correct whatever mistakes it makes. History shows that the party has the courage and the ability to correct its own mistakes. The reason why the party has been able to uphold its leadership lies, first of all, in the fact that it exercises correct leadership, is able to combine the universal truth of Marxism-Leninism with China's concrete practice, to present a correct program, principles and policies and to lead the broad masses in carrying out the program, principles and policies. A leadership can be upheld only if it is exercised well. The new historical period of socialist construction has set a higher demand on our party. Therefore, we must take a serious attitude toward the trauma inflicted on our party during the 10 years of turmoil, earnestly improve party leadership and strengthen party building. If we do so, we can certainly shoulder our heavy historical responsibility.

This is why the new party constitution establishes the general principle of setting strict demands on party members and cadres and calling for raising the fighting capacity of the party's organizations. This is why the report to the 12th CPC Congress regards efforts to strive for a fundamental improvement of party style as a most pressing task. The report points out the several questions that must be resolved, in particular, in party building.

It also puts forward the significant measure of conducting overall rectification of party style and consolidation of party organizations in stages and group by group over a period of 3 years beginning from the latter half of 1983.

In addition to rectification of party style, the congress also raised in particular the resolution of the question of cooperation between the old and the young among the cadre ranks and the succession of the young from the old. Comrade Chen Yun said: "The style of a party in power determines its very survival." He again said in his speech to the congress: "The satisfactory solution of the problem of the smooth succession of the younger cadres from the old ones is an important task facing the whole party." The continuous satisfactory solution of the question of party style and that of cadres in accordance with the spirit of the congress in order to build our party better is a major task that is of decisive significance in promoting socialist construction.

Fourth, the report to the 12th party congress deals with all external relations from the standpoint of independence and self-reliance.

In the section "Adhering to an Independent Foreign Policy," the report to the 12th party congress points out: "Integration of patriotism with internationalism has always been our basic point of departure in handling our external relations," and "our adherence to an independent foreign policy accords with the discharging of our lofty international duty to safeguard world peace and promote human progress."

The report also discusses in another section the question of persevering in self-reliance while expanding economic and technological exchanges with foreign countries. The report points out: "It is our firm strategic principle to carry out the policy of opening to the outside world and expand economic and technological exchanges with foreign countries in accordance with the principles of equality and mutual benefit," and "our aim in expanding economic and technological exchanges with foreign countries is to enhance our ability to be self-reliant and to promote, and certainly not to impair, the development of our national economy."

China was once a semicolony, or a semi-independent country. During that time, China's affairs were admittedly not run by the oppressed and exploited Chinese people, but neither were they run by the reactionary forces. They were run rather by the imperialist powers. From the late Qing dynasty to the Kuomintang period, the government was not only slavishly dependent on imperialism in foreign policy, but it also adjusted its domestic policies according to the wishes of imperialism. The opening of China's "door" then was forced by imperialism, and the result of the opening was the enslavement of the Chinese people and the destruction of China's national economy. It was only after the Chinese people became the masters of their country that China was turned into a truly independent and sovereign state standing magnificently in the East and has been able to implement an independent foreign policy, control its own "door" and adopt an open-door policy on the basis of safeguarding national interest.

We must bear firmly in mind the following words in Comrade Deng Xiaoping's opening speech to the 12th party congress: "Independence and self-reliance have always been and will forever be our basic stand. While we Chinese people value our friendship and cooperation with other countries and people, we value even more our hard-won independence and sovereign rights. No foreign country can expect China to be its vassal, or expect China to swallow any bitter fruit detrimental to China's interests. We will unservingly follow a policy of opening to the outside world and actively increase exchanges with foreign countries on the basis of equality and mutual benefit. At the same time, we will keep a clear head, firmly resist corrosion by decadent ideas from abroad and never permit the bourgeois way of life to spread in our country. We Chinese people have our own national self-respect and pride. We deem it the highest honor to love our country and contribute our all to its socialist construction, and we deem it the deepest disgrace to impair the interests, dignity and honor of our socialist motherland." All Chinese with high aspirations should take such an attitude and possess such a spirit. We must unite together, work hard and successfully build our country under the guidance of the program of the 12th CPC National Congress in order to make our due contribution to the world, as expected of a large country with a population of 1 billion.

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A GREAT HISTORICAL CHANGE AND ITS BASIC EXPERIENCE

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[Article by Yuan Mu [5913 2606]; passages within slantlines published in boldface]

[Text] The convening of the 12th CPC National Congress marks the fact that our party has led the people in successfully realizing another great historical change. It has opened a brilliant chapter in initiating our socialist modernization in an all-round way. Correct appraisal and full understanding of the far-reaching significance and basic experience of this historical change and unifying the ideology of the whole party, the whole army and the people of all nationalities of the whole country on this basis are quite imperative and important for forging ahead courageously and in solidarity along the road of the 12th national congress of the party and for energetically seizing new and greater victories.

I

It was just 1 month short of 6 years from the smashing of the Jiang Qing counterrevolutionary clique in October 1976 to the convening of this congress. In the ordinary conception of the people, a period of 6 years is not a short time, but in the long river of human history, it is short and only an instant. However, in those 6 years, our party has corrected the course through the 3d Plenary Session of the 11th CPC Central Committee, and finally brought our country's political life and socialist cause onto a correct and healthy road of development through the 4th, 5th and 6th plenary sessions. No matter how many difficulties we may have before us, and no matter how many shortcomings there may be in our work, this historical change has shown and will show more and more fully its great significance and far-reaching influence.

At the very beginning of his report made on behalf of the party Central Committee at the 12th national congress, Comrade Hu Yaobang briefly pointed out the sign for realizing this historical change from the seven aspects of ideology, politics, organization, economy, culture, military and the party, that is from the various major aspects of our country's political life and socialist construction. Through our efforts made to bring order out of chaos in the past 6 years, particularly in the past 4 years since the third plenary session, we have, in our new practice, adhered to and developed the ideological line of seeking truth from facts. This has dispelled the apathetic atmosphere on various fronts in which "10,000 horses were all muted" and enabled these fronts to obtain vigorous creative strength. The political situation of stability and unity we have rapidly realized and gradually consolidated has enabled the lively scene of the best historical period since the founding of the PRC to appear. The gradual readjustment, reorganization and consolidation of the leading groups have enabled the leading power of the party and state organizations at all levels to be basically controlled by the cadres who are loyal to the party and the people. The gradual correction of the "leftist" erroneous tendency which affected the guiding principle in our economic construction for a long time has enabled our country's economy to tide over the most difficult period and take the healthy road of steady development. The gradual elimination of the erroneous concept of despising cultural construction and of discriminating against intellectuals has enabled our educational, scientific and cultural cause to undergo a new course of development and obtain preliminary prosperity. The military and political quality of the PLA has been enhanced under new historical conditions. The tests and remolding which the party has undergone in leading the various fronts in bringing order out of chaos have made the party stronger and more matured in the course of struggle. All this shows that the political situation in socialist China is stable, the revolutionary and construction causes are continuously developing and the leadership of the CPC is firm and strong. In various aspects, we have sufficient conditions for ushering in an all-round way a new situation for socialist modernization. This is the base and starting point of the new and great tasks put forward by the 12th CPC National Congress, as well as the base and starting point for confidently achieving new victories. Before such objective facts which are obvious to all, all pessimistic and apathetic ideas and feelings must be eliminated.

Looking back on the momentous course of the struggle over the past years, we can see the profound changes that have taken place in our country. It should be said that of all these changes, the most fundamental and far-reaching one is that the party's understanding of the law governing our socialist construction has greatly increased. Just as Comrade Deng Xiaoping pointed out in his opening speech at the 12th national congress: "Our party now has a much deeper understanding of the law governing our socialist construction. Our experience is much richer. Our consciousness and firmness in implementing correct principles have been greatly strengthened."

As everyone knows, after the 3d Plenary Session of the 11th CPC, our party completely abandoned the erroneous slogan of "taking class struggle as the key link," and began to put the stress of our work on the socialist modernization of economic construction. This is a strategic decision adopted after drawing on past historical lessons and scientifically reanalyzing the principal contradictions of our society. In the meantime, the party pointed out that China's modernization must conform with the national condition of China and take the road of the Chinese type of socialist modernization. This is an important manifestation of the party's realistic ideological line in guiding economic construction. Under the guidance of the spirit of the third plenary session, the party correctly put forward the principle of readjusting, restructuring, reorganizing and upgrading the national economy according to the profound analysis of the serious imbalance of the major ratio of the national economy caused by the 10 years of internal disorder. The proposition and implementation of this principle was the fundamental change in the guiding principles of our country's economic work. They have enabled our economic front to witness a good situation which has rarely been seen since the founding of the PRC. During the large-scale economic readjustment in the past 3 years, we have not only maintained a certain speed of development in our economy, but also changed the imbalance in the major ratio. Our economic structure is becoming more and more rational. Such a level of enhancement of the livelihood of the people in the cities and the countryside, particularly of the livelihood of the peasants, has not been seen since the 1960's. What is encouraging is that, when adhering to the public ownership system, the rural areas throughout the country have gradually exercised various forms of the responsibility system in production and that they have basically realized a major reform in the management system. This major reform has fundamentally corrected the serious "leftist" erroneous tendency which existed since the cooperative movement in the rural areas throughout the country. It has enabled our country's agriculture, which was stagnant for a very long time, to prosper and flourish. The great vitality of this major change is understood by more and more people. By the end of last year, through summing up the experience in readjusting the economy since the third plenary session, the party further proposed that the whole economic work should be shifted to the orbit which centered on raising the economic results. According to this fundamental purpose, the party also put forward 10 principles for economic construction. These 10 principles are the crystallization of the combination of Marxism-Leninism-Mao Zedong Thought with China's new situation and new practice. They show that our party's understanding and mastery of the laws governing socialist economic construction have reached a new scientific level. The proposition and gradual implementation of the 10 principles began to make their mark in China's economic development this year. Because of all this, at the 12th national congress, our party was able to put forward the strategic aim, strategic key points and strategic measures for China's economic construction for the coming 20 years. In this case, we are provided with a blueprint for construction which is suited to the national condition of China.

Since the 3d Plenary Session of the 11th CPC Central Committee, our party has profoundly studied the problems emerging in practice according to the basic principles of Marxism. It has gradually understood that the building of a high level of socialist spiritual civilization and of a high level of socialist democracy should be regarded as a strategic problem. This is an important development for scientific socialist theory. In socialist society, when building material civilization, we must work hard to build a high level of socialist spiritual civilization. When restructuring and perfecting our socialist economic system and socialist political system, we must work hard to build a high level of socialist democracy. The building of socialist material civilization and the building of socialist spiritual civilization are mutually dependent on one taking the other as its purpose. If we only pay attention to the building of material civilization but neglect the building of socialist spiritual civilization, which is based on communist ideology, then, socialist society will go astray and become morally degenerate. This is, as pointed out by Comrade Mao Zedong, seeing only material factors to the neglect of human ones. In the final analysis, developing the socialist economy must rely on human factors, and its purpose is to improve the livelihood of the people. If the people are morally degenerate, what is the point of having material wealth? Material wealth can enable people to live a happy life. It can also make people degenerate. The crux is that it is imperative to enable the members of a socialist society to correctly handle the relations between individuals and society and the relations between immediate and long-term interests. We must energetically strengthen the building of socialist spiritual civilization so that our people can have aspirations, morality, culture and discipline. In building material civilization or socialist spiritual civilization, we must bring into full play the initiative and creativeness of the people. Here we must energetically build a high level of socialist democracy so as to fully protect the rights of the people to being the masters of their own country, to effectively exercise dictatorship over a small number of hostile elements who undermine socialist society and to consolidate and strengthen the state system of the people's democratic dictatorship. On the basis of these fundamental viewpoints, our party has simultaneously made the realization of the four modernizations, the realization of a high level of civilization and the realization of a high level of democracy the three fundamental objectives for building a socialist modernized country, and has entered them in the new party constitution. These are obviously the application and development of Marxism-Leninism-Mao Zedong Thought in China's new socialist practice. They will effectively guide and bring forward the socialist practice of the Chinese people, and will continue to enrich and develop themselves in practice.

It is obvious that in this historical change, our party's understanding of socialism and of the law governing socialist construction is becoming deeper and deeper. Although this understanding is not yet perfect, it is quite different from and much higher than that existing during the 8th national congress of the party. Now, our party has not only restored the correct policies which were effectively carried out before the "Cultural Revolution," and has not only restored the original features of Marxism-Leninism-Mao Zedong Thought, but has also solved new problems and bravely carried out investigations and innovations through conscientiously studying the new situation. Our party has firmly established a correct line, worked out a series of new and correct principles and policies and developed Marxism-Leninism-Mao Zedong Thought in various aspects. We can say that this is the greatest achievement of the historical change. It is also the most precious spiritual wealth created by the whole party and people of the whole country. Engels put it well: "No great historical disaster is not supplemented by historical progress." ("Collected Works of Marx and Engels," Vol 39, p 149) Our practice in the past years has proved the correctness of Engels' relevation of this historical law. Under the guidance of the party's correct line and policies, we are carrying out new practice to usher in a new situation in an all-round way. We will certainly prove more fully the correctness of this historical law.

II

When explaining the basic reason for having realized this historical change, the 12th national congress of the party clearly pointed out: "Our victory was hard-won. It was won by the whole party and the people of all nationalities all over the country under the leadership of the party Central Committee after overcoming all kinds of great difficulties." This is a historical conclusion that is in conformity with objective reality. Practice has irrefutably proved that our present party Central Committee is resolutely implementing a correct Marxist line. It is a united, harmonious and militant leading collective. It is also a firm nucleus that can tackle any complicated situation.

In the course of leading the whole party and the people of all nationalities in the country in realizing this historical change, in order to guarantee that the party's correct line and various basic principles can be implemented, the party Central Committee correctly and in a timely manner launched a two-way ideological attack against the "leftist" and rightist erroneous tendencies. As a result, the party Central Committee could politically and ideologically maintain the unity of the party. This was an important guarantee for achieving historical success. It will also be an important guarantee for ushering in a new situation. In order to have a deeper understanding of this point, it may possibly be beneficial for the party to briefly expound the general situation and correct conclusions for combating these two erroneous tendencies in several principle problems.

/The problem of ideological line./ The guiding principle of "emancipating the mind, using the brain, seeking truth from facts and adopting a united, forward-looking attitude" which was issued at the 3d Plenary Session of the 11th CPC Central Committee was, under new historical conditions, the application and development of the party's and Comrade Mao Zedong's consistent propagation of the ideological line of combining theory with practice. If we do not emancipate our minds, nor break away from the personality cult and the trammels of dogmatism, we will not be able to bring order out of chaos, nor will we be able to usher in a new situation. Distorting the principle of emancipating the mind to saying what one likes and advocating bourgeois liberalization, will also have negative effects on our cause. These two tendencies must be opposed. In emancipating the mind, we must follow Marxist guidance, adhere to the party's ideological line and base ourselves on studying the new situation and solving new problems. Emancipating the mind must be beneficial to maintaining unity and to adopting a forward-looking attitude. In short, emancipating the mind must be in conformity with the four basic principles. It must not violate these four basic principles.

/The problem of adhering to the four basic principles./ Persisting on the socialist road, persisting in the people's democratic dictatorship, persisting in the leadership of the Communist Party and adhering to Marxism-Leninism-Mao Zedong Thought have been our consistent basic principles since the founding of the PRC. In further exposing and denouncing the Lin Biao and Jiang Qing counterrevolutionary cliques, our party pointed out that in the final analysis, our struggle against them was the struggle between our adhering to and their undermining the four basic principles. We wanted to adhere to the four basic principles, so we had to wipe out the Lin Biao and Jiang Qing counterrevolutionary cliques' pernicious influence in distorting and altering the four basic principles. Following the correction of the mistakes of the "Cultural Revolution" and the "leftist" tendency, the rightist tendency which deviated from the four basic principles emerged. Now if we want to unswervingly adhere to the four basic principles, we must continue to prevent and oppose the above two erroneous tendencies.

/The problem of correctly appraising Comrade Mao Zedong and Mao Zedong Thought./ Comrade Mao Zedong was the great leader and teacher of our party and the people of all nationalities of our country. He made immortal and great contributions to the Chinese revolution. He committed serious mistakes in his later years, but his merits far outweighed his errors. If we lack the Marxist courage to make self-criticism of the party's mistakes which include Comrade Mao Zedong's past mistakes, and if we do not conscientiously correct these mistakes in practice, we cannot bring order out of chaos, nor can we realize a historical change. If we negate Comrade Mao Zedong's whole life because he committed serious mistakes in his later years, then the whole of the revolutionary history of the Chinese people will be negated, and we will make even greater mistakes. Mao Zedong Thought is the correct summation, proved in practice, of theoretical principles and experience with regard to the Chinese revolution. It is the crystallization of the collective wisdom of the CPC. We must strictly distinguish between Mao Zedong Thought and Comrade Mao Zedong's mistakes in his later years, and continue to uphold and develop Mao Zedong Thought. If we do not make such a distinction, or if we think that whatever Comrade Mao Zedong said is an unalterable truth, or if we try to negate the guiding role of Mao Zedong Thought in China's revolution and construction and abandon the banner of Mao Zedong Thought because Comrade Mao Zedong committed mistakes in his later years, this is an erroneous tendency that seriously violates the objective truth and is detrimental to the interests of the party and the people.

/The problem of class struggle in the socialist period./ The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" adopted at the 6th Plenary Session of the 11th CPC Central Committee pointed out: "When the exploiting class is eliminated as a class, class struggle will no longer be the principal contradiction. Due to domestic factors and international influence, class struggle will exist for a long time in certain spheres and become acute under certain circumstances." This was a scientific conclusion the party drew with regard to the question of China's current class struggle after bringing order out of chaos since the third plenary session and after profoundly analyzing the real conditions of China's society. This tells us the following: We must not only resolutely oppose returning to the erroneous idea and concrete manifestation of "taking class struggle as the key link," but also prevent the loss of revolutionary vigilance concerning class struggle under new historical conditions.

/The problem of socialist democracy./ Building a high level of socialist democracy is one of our fundamental aims and tasks. We must energetically develop socialist democracy so as to protect the people's right of fully running the state and various economic and cultural undertakings and to guarantee the smooth carrying out of the building of socialist material and spiritual civilization. In addition, we must draw a line of demarcation between socialist democracy and bourgeois democracy so that the building and perfecting of China's democratic system and democratic life can be beneficial to the consolidation of our socialist system and to resolutely and effectively exercising dictatorship over a small number of hostile elements who undermine our socialist system.

/The problem of economic results and speed in development./ This is a major problem that is concerned with the guiding principles of economic construction. According to our experience of building during the past 30-odd years since the founding of the PRC, we must center our economic work on improving economic results. Under this prerequisite, we must try to acquire a speed of development that can be obtained through hard work. If we do not try to obtain such a speed, it will be detrimental to strengthening national power, to improving the people's livelihood and to the four modernizations. If we try to obtain an exaggerated speed through high consumption, regardless of economic results and the material benefit of the people and without taking into account raising the quality of the products, this would be merely bringing disaster through seeking an undeserved reputation. These two tendencies must be prevented and avoided.

/The problem of dual tactics for developing the socialist cause./ In the new historical period, in order to develop the socialist cause, we must persist in using dual tactics ideologically and in action. On the one hand, we must persist in carrying out an open-door foreign policy and an internal policy of stimulating the economy. On the other hand, we must deal resolute blows to the serious criminal activities that undermine socialist society in the economic, political and cultural spheres. It is dangerous just to pay attention to the latter and doubt the former, or just to emphasize the former to the neglect of the latter.

Historical experience tells us that fundamentally speaking, in order to adhere to the party's correct Marxist line, we must oppose not only the "leftist" tendency of erroneous theory and policies advocated during and before the "Cultural Revolution," but also the rightist tendency of bourgeois liberalization which doubts and negates the four basic principles. When and where to oppose an erroneous tendency depends on the specific conditions concerned. When opposing a tendency, we must guard against forming another tendency. Since the third plenary session, in waging the two front ideological struggle against the "leftist" and rightist erroneous tendencies, the party has persistently held firm to its principles and stand, and tried to handle matters comprehensively according to their scientific law. In this way, the party's past correct principles for waging ideological struggles have been further applied and developed under new historical conditions to achieve the aim of "thrashing out the rights and wrongs and uniting our comrades." As a result, many complicated ideological problems and social and political contradictions have been handled in a comparatively proper manner. Of course, here we are referring to the general situation in the whole party, particularly the leadership of the party Central Committee. It will require a great effort by party organizations at all levels, by all party members and all cadres of the party to materialize the above points.

The general program of the new party constitution adopted at the 12th congress of the party, points out that if the party wants to lead the people of all nationalities in realizing the magnificent goal of socialist modernization, it must fulfill three basic requirements, of which the first one is that the party must maintain "a high level of unanimity in ideology and politics." This is the summary of the party's experience in its past protracted struggles. We must emphasize that conscientiously maintaining unanimity with the party Central Committee in politics and ideology should become a political disciplinary principle all party members must strictly observe. Energetically and conscientiously propagating the party's ideology, theory, line, policies and propositions to the masses of the people should be the duty of every party member to the party and the people. But some party members do not act in such a way. They even do something different or act on their own with regard to important principles and policies which have been decided on by the party. Honest and loyal party members do not adopt such an attitude, and this phenomenon must resolutely be stopped and corrected. We believe that under the banner of the party's 12th national congress, the whole party will certainly reach a high level of unanimity in ideology and politics, and the victory of the struggle for ushering in a new situation will be most reliably guaranteed.

III

Marxism has always maintained that history is created by the masses of the people. In the final analysis, the reason why the party could achieve such a great success in the historical change was that it had firm faith in the people, relied on them and followed their demands and the trends of historical development. As pointed out in the report of the party's 12th national congress: "It is because the party has centralized the will of the people and worked out a correct line, principles and policies that the socialist cause of our motherland has embarked on a broad road. The people's confidence in and support for the party are the key points by which we can constantly achieve success in our cause." We must always bear in mind this fundamental experience.

The CPC is the loyal representative of the interests of the people of all nationalities of our country. The party has no special interests of its own beyond the interests of the working class and the broad masses of the people. Wholeheartedly serving the people has been the fundamental purpose of our party. Since the Communist Party seized political power throughout the country and became the governing party, its position has changed. But this change should not in the least alter the purpose of the party, nor should it change the position of party members as ordinary working people. After the party became the governing party, some people became cadres and had power in their hands. But facts have shown that they failed to use their power to serve the people. On the contrary, they have used it to seek personal gain at the "expense" of the people, of the collective and of the state. As a result, from being the public servants of the people, they became the "masters" of the people. All kinds of unhealthy tendencies have emerged from this. If we want to have faith in and rely on the masses and to win the masses' confidence and support in a better way, we must resolutely correct this unhealthy phenomenon. We believe that under the guidance of the spirit of the party's 12th national congress and the new party constitution, this phenomenon will be corrected rapidly.

Comrade Chen Yun has emphasized that party style is a life and death matter for the governing party. We can understand Comrade Chen Yun's important thesis as follows: The party style affects the relations between the party and the masses. It affects the will of the people, and the will of the people is the crux that determines the future and destiny of the party. We must answer the call of the 12th national congress, conscientiously rectify party style and party organizations, strive to realize a fundamental change for the better with regard to the party style, better serve the people and wholeheartedly work for the interests of the majority. In this way, we will carry out our cause victoriously.

If we want to work for the interests of the people in a better and more effective way, we must make a great change in our methods of thinking and style of thinking, strive to submerge ourselves in the masses and go deeply into the realities of life, carry out systematic and scientific investigations, correctly feel the pulse of the masses and understand well what they think. In this historical change, a great deal of facts have proved that this question is of great importance. The party's great achievements in readjusting the rural policies in the past years are a most convincing example. It is because the party firmly believes that the peasants in our country have the initiative of resolutely taking the socialist road, and it is because the party, by basing itself on a great deal of investigation and study, knows well what the peasants are for and what they are against, that it has been able to grasp the two major links of implementing various kinds of production responsibility system and of energetically developing a diversified economy under the prerequisite of paying close attention to grain production. It is because of this also that we have the guidance of the party's policies from above and the warm support of the peasant masses from below. In this way, the situation in the countryside has rapidly changed for the better, and an encouraging excellent situation has emerged. If we do not go deep into the realities of life, if we do not submerge ourselves in the masses, if we are not bold in and good at carrying out practice, if we cannot master the scientific working method of grasping the major links to bring forward other work, even if we have the enthusiasm to serve the people, it will be very difficult to turn it into a hard reality of working for the interests of the people. In order to open up a new situation in an all-round way and in order to boldly carry out creative work for the people, we are required to make greater efforts in submerging ourselves in the masses, in going deep into the realities of life, in carrying out scientific and systematic investigation and study and in continuing to improve our methods of thinking and work style.

In short, fully understanding the great significance and far-reaching influence of this historical change so as to be more confident in our advance, having firm faith in the party and the party Central Committee and conscientiously maintaining unanimity with the party Central Committee in politics and ideology, having firm faith in the people, relying on the people and improving our methods of thinking and work style for the interests of the people are our major experience drawn from this historical change. In initiating a new situation for socialist construction in an all-round way, we should continue to apply and develop this major experience to achieve new and greater success.

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LAY A GOOD FOUNDATION TO USHER IN NEW VIGOROUS ECONOMIC GROWTH

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[Article by Wang Renzhi [3769 1804 0037]]

[Text] In his report to the 12th party congress, Comrade Hu Yaobang solemnly announced: In the 20 years from 1981 to the end of this century, our country's fighting target in economic construction, under the logical premise of improving the economic effect, is to strive for quadrupling the annual value of the national industrial and agricultural output by the year 2000. Realization of this target will be in two stages: In the first 10 years, a good foundation will be laid and our strength will be accumulated; and in the remaining 10 years, a new period to usher in new vigorous economic growth will be created. This economic construction strategy has been gradually formulated by our party in the course of the implementation of the eight-character policy of readjustment, restructuring, reorganization and upgrading, following the summing up of historical experiences and a thorough investigation and research of the actual conditions. It has thoroughly combined together reality with farsightedness and a rigid scientific attitude with a high degree of revolutionary spirit and has thus pointed out the direction and correct road for our country's economic construction in socialist modernization.

The general plan for economic construction in our country in the next 20 years embodies the following special features:

Concurrently with determining the speed of economic development, it stresses uplifting the economic effect. In the past, the theme envisioned for a long time under the guidance of "leftist" thought was frequently and solely striving for a rapid growth rate in the volume and value of output. As a consequence, a high price was paid for the production of commodities which did not conform to actual social needs, and while production was increased in name, stockpiling and waste were the actual damages resulting. Of course, we must strenuously strive for a relatively high growth rate in the national economy. In the next 20 years, we must, through extensively adopting advanced production technology and reforming the economic system and management methods of the enterprises, uplift the economic effect or, otherwise, it will not be possible to achieve the anticipated growth rate in economic development. This is precisely the reason why the "report" demanded that all economic work be oriented toward the central track of uplifting the economic effect and pointed out that uplifting the economic effect constituted the logical premise to achieve the objective of quadrupling the annual value of the national industrial and agricultural output by the end of this century.

It clearly stipulated that the people's standard of living must be improved on the basis of developing production. Improving the living conditions of the entire populace is the fundamental aim of socialist production and should constitute the starting point as well as the ultimate objective in the long-term planning for industrial development. However, in the past, the long-term planning that was indulged in frequently stressed production and construction, neglected the development of social enterprises and also neglected the improvement of the people's standard of living. As a result, although a relatively high economic growth rate was achieved, the people's standard of living was not correspondingly improved. Under such circumstances, the "report," when announcing the fighting target for economic construction in the next 20 years, emphatically pointed out that the realization of this target would double the people's income in the urban and rural areas and enable the people's material and cultural life to reach a prosperous level.

The "report" not only brought up the target for economic construction but also pointed out the key strategic points which must be grasped and the strategic steps which must be taken. The national economy is an organic whole. Its component parts are mutually related and keep each other in check. The problems arising in the course of economic and social development are many and extremely complicated. From this chaotic array of baffling problems, we must sort out the leading ones, determine which are more important and which less important, which are more urgent and which less urgent and then take them up in a gradual and progressive manner. This indeed constitutes an important lesson which we must do well when contemplating, on a long-term basis, planned economic development. After making a thorough analysis and study of the entire situation of the national economy, the "report" pointed out the importance and urgency of solving the problems concerning agriculture, energy and communications, education and science and added that these problems should be considered as the strategic and key problems in economic development hereafter. It then proceeded to analyze many of the existing deterrent factors to economic development and stated that we must take 10 years' time to lay a good foundation to usher in an overall upsurge of our country's economy in the next 10 years. Having a clear understanding now of the strategic and important points and the strategic procedure in economic construction, we can systematically and without confusion solve one by one the various problems and proceed in the direction of the fixed targets.

The strategic targets in capital construction in our country are gigantic ones. Turning first to the economic growth rate, to quadruple, in 20 years' time, the annual value of industrial and agricultural output requires an average annual growth rate of over 7 percent. Of this, the annual growth rate in the first 10 years will be slightly lower than this average, while in the second 10 years it will be higher. This average, when compared with other countries in the world, is rather on the high side. Thus, for the 20 years between 1960 and 1980, the annual growth rate in the gross national product of the major countries of the world was as follows: United States, 3.5 percent; Soviet Union, 6.3 percent; Japan, 8 percent; West Germany, 3.8 percent; France, 4.6 percent; Britain, 2.4 percent; and India, 3.8 percent. Judging from the development trend in the world's economy from now on, for these nations to again achieve in the last 20 years of this century their respective economic growth rate of the past 20 years, it will be a rather difficult task for some and a basically impossible task for others. However, our case is different. We have a superior socialist system. Our economic growth cannot be interrupted by economic crises which are unavoidable in the capitalist system. We should be able, after efforts made in 20 years' time, to make our gross national product and the output volume of the principal industrial and agricultural commodities be placed in the world's front ranks. We should be able to achieve great development in the course of the modernization of our entire national economy and thereby shorten the disparity in economic technology between our country and the economically developed countries.

Realization of the gigantic tasks in economic construction involves extremely difficult tasks. However, seen from the vast political power in our various quarters, the targets are by no means unattainable. Countless facts in actual life have demonstrated that if we can fully arouse the enthusiasm of the laborers and fully tap the hidden potentials of the communes and the production brigades in the countryside and other production units, then our socialist economic construction can surely achieve surprisingly good results. Moreover, in the next 20 years, we shall be favored with some even better conditions for developing the economy. The many years of disturbance in our country have now been terminated. Peace and unity have been realized in the country. As a result, there is now a better social and political environment for economic construction. The pivotal work of our party and government has been shifted to socialist modernization construction centering on economic construction. We have earnestly liquidated past "leftist" errors in economic work and a basic change has taken place in the guiding thought and guiding policy concerning economic work. Our closed door policy has come to an end. By means of intercourse in economic technology with the outside world, we can make use of the world's strong points to compensate our weak points. In general, the factual conditions and objective feasibility for realizing the gigantic economic construction targets are undoubtedly in existence. To make full use of these conditions so that they can become realities depends on the party's superior and effective leadership and also on the workers, peasants, intelligent elements and all patriotic citizens exerting their common efforts. The strategic targets for economic construction in the next 20 years can surely be accomplished if only we can firmly and irrevocably carry out the series of correct guidelines and policies set by the party, further display the superiority of the socialist system, fully mobilize the enthusiasm of the various quarters and rationally utilize our plentiful natural resources as well as the material and technical foundation already laid by our enormous labor force.

In the course of realizing the 20 years' fighting targets, the key lies in doing a good job of the work in the first 10 years. Whether or not new and vigorous growth can emerge in the 1990's depends on whether or not a good foundation has been laid in preparation work in the 1980's. The "report" offered a convincing expostulation on why 10 years' time must be required to prepare the conditions for economic growth. It fully demonstrated the scientific attitude of studying and handling problems in a practical and realistic way.

Following several years' readjustment, our national economy has begun to step on the road to healthy development, but there are still many existing problems and difficulties. The country's fiscal receipts and expenses have been basically balanced, but this has been realized by means of a large-scale curtailment of expenditures. The foundation thus laid is still not a solid one. Due to the tense situation in energy supply, communications and transportation capacity is not consistent with the increase in the volume of transport. In particular, frightful waste and extravagance in manpower, material resources and finances in the production, construction and circulation sectors have intensified the unbalanced state in energy supply and demand, impeded improvement in financial conditions and restricted the rapid growth of the economy. According to statistics, the amount of national income derived from each ton of energy consumed was 1,167 yuan at the time of the first 5-year plan period but was reduced to 576 yuan in 1981; the amount of profits and taxes realized from each 100 yuan of capital invested in industrial enterprises under the system of ownership by the whole people was 31.9 yuan during the first 5-year plan period but went down to 23.8 yuan in 1981; the construction time required for large and medium-sized projects was 6.5 years during the first 5-year plan period but was extended to 9.4 years in 1981; and the amount of circulation funds required for the production of each 100 yuan in the value of output in industrial enterprises under the system of ownership by the whole people was 19.5 yuan in 1957 but was increased to 30.2 yuan in 1981. It is true that herein certain incomparable objective factors may be found but, generally speaking, these conditions denote the downward trend of the economic effect, and this is a serious and an undeniable fact. In the face of these circumstances, our Communist Party members and the vast masses of cadres and people certainly cannot remain motionless or fear to step forward. Rather, they should devote their utmost efforts to effect changes and to tap the enormous potentialities of increasing production and practicing economy.

The "report" pointed out the reasons for the poor showing in economic effect as follows: "Principally, factors caused by past 'leftist' errors such as blind development, irrational economic structure, defects in the economic management system and distribution system, confusion in management and control and backward technology." Of these many problems pointed out in the "report," some had already emerged during the last period of the 1950's but had remained unsolved for a prolonged period of time; some had appeared during the 10 years of disturbance and since then had spread and extended. We must, of course, note that in more recent years, we have done much work in the solution of these problems and have achieved certain results. At the same time, the experience gained from actual practice in these few years has shown that the full solution of these complicated problems of so many years' standing will take a rather lengthy period of time. The party has decided to continue to firmly and irrevocably implement the policy of readjustment, restructuring, reorganization and upgrading and not to seek too high a growth rate during the entire 1980's but, rather, to devote efforts to solving the problems left over from history and to laying a good foundation. This is truly correct and important policymaking. Instead of looking at the matter as being only a simple one or being anxious for results despite the obvious infeasibility, we should rather make a sufficient estimation of the existing difficulties, take firm steps forward and proceed in an orderly manner and according to rules. At the early stage of national construction, Comrade Chen Yun already said: "Between making haste but committing errors and playing safe but being slow, I prefer the latter. In particular, in tackling economic problems concerning the country as a whole, we should bear this point in mind." The party's policy on the strategic procedure in economic construction from now on reflects well this important guiding principle pointed out by Comrade Chen Yun.

On the basis of our country's current economic conditions and the existing problems, the "report" pointed out the various kinds of economic work that emphatically must be done well during the 1980's. They comprise mainly the following six sectors:

I. Continued readjustment of the production structure and the product structure.

Since implementing in 1979 the policy of readjusting the national economy, the serious state of imbalance in the proportional relationships between agriculture and industry and between light industry and heavy industry have greatly changed and the readjustment task in this sector may be said to have been basically completed. However, many irrationalities may still be found in the internal structure and in the structure of products of agriculture, light industry and heavy industry. Readjustment must therefore be continued in this regard.

In agriculture, internally the major task is to stabilize the grain sowing area and to ensure a sustained growth rate in grain production. Under this logical premise, the next step is to actively promote the development of economic crops and diversified operations. All the areas fit for grain planting must be devoted to the development of grain production. Only in this way can the state acquire the needed quantity of grain to support areas which are not suited to grain production and enable the localities to develop economic crops, forestry, animal husbandry or other lines of business or operation in accordance with their respective superior conditions. At present, the gross output value of forestry, animal husbandry, subsidiary production and fisheries occupies only a small proportion of the gross value of agricultural output, being, say, around one-third. Simultaneously with grasping grain production, we should utilize all barren hills, grassland, waterways and reservoirs that are available for use to develop in an overall manner various kinds of agricultural sideline production and should never be lax the slightest bit. Only in so doing can we meet the demand for industrial development and for meeting the people's livelihood needs.

In the industrial sector, certain products have not conformed to actual social needs and, hence, a large quantity of them has to be stockpiled. In the case of some commodities, they are urgently needed by society but their supply lags behind demand. Some products have a high rate of consumption of energy and raw materials in production but are extremely poor in quality and in function. In regard to both light industry and heavy industry, we must, following the principles of conforming to social demand and upgrading economic effect, strictly control the output of the so-called "longline" products and actively increase the output of the "shortline" products. In addition, we should step up the replacement of old products with new products and make use of those products which consume less energy and less raw materials in production to replace the backward products. If we follow this direction in improving the structure of the industries and trades and the structure of the products, then we can effectively utilize our various material resources and create more wealth for the state.

II. Overall reorganizing and rebuilding existing enterprises.

The number of industrial enterprises in our country increased from 195,000 units to 382,000 units between the years 1970 and 1981. The increase was nearly 100 percent. While this has promoted the development of production, the element of blind development has existed to a great extent. Many of the enterprises have suffered from an insufficient rate of operation, while some have not been able to start operations altogether. In the case of many enterprises, the operation procedure in production is irrational, consumption of materials is much too high and the quality of the products is poor. In the case of many enterprises, a confused state is found in management and control, and even the rudiments of business accounting are lacking. One of the basic measures of tapping hidden potentials and upgrading economic effect is to differentiate between different conditions and effect an overall reorganization and rebuilding of the enterprises.

In reorganizing the enterprises, we must boldly solve the major contradictions within the enterprises and must not allow the work to be half done. The prevalent defects of many enterprises are: a weak and loosely organized leadership group, overstaffing and not enough work to go around, lax observance of labor discipline and financial regulations, and so on. Reorganization will be hardly worth its name if we do not dare to solve these problems or do not dare to promote to leadership posts intelligent, young or middle-aged cadres who are vigorous and capable of tackling issues at hand or do not dare to sort out the surplus personnel from the enterprises and give them renewed training or do not dare to require the strict observance of rules and discipline and implementation of the organizational rules. If the leadership can make a firm resolution and, relying on the masses, earnestly and quickly solve certain delicate problems, then reorganization can easily pursue its course and production, management and control will be on the right track.

Simultaneously with reorganizing the enterprises, we must firmly and steadily readjust and rebuild the existing enterprises and should never be indecisive or hesitant in taking the necessary steps. First of all, we must close or merge a number of backward enterprises which have a high consumption rate of raw materials, whose products are poor in quality and which have suffered losses for a protracted period. This will save a certain quantity of energy and raw materials for use by the advanced units to operate in full capacity. Afterward, we should, conforming with the practice of coordination and division of work in specialization and with rational economic principles, perform a good job of gradually organizing together the remaining enterprises and rationalizing their organizational structure. Our socialist economic system and economic policy will never permit us to give way to or protect backward enterprises or curtail or harm advanced enterprises. On the contrary, we must encourage and promote the progressive enterprises and spur on or even liquidate the backward ones. It is clear that following changes in social demand, progress in production technology and development of division of labor and coordination, naturally new enterprises will gradually replace the old and dilapidated enterprises. In this connection, the socialist system is superior to the capitalist system in that it can afford to follow the unified plan of the state and spontaneously carry out the readjustment and rebuilding of the enterprises. We should never consider the readjustment and rebuilding of enterprises as measures that are only temporary in nature or passive ones. On the contrary, we should treat them as regular features in the course of the development of social production. They should be treated as positive measures for upgrading the economic effect of all of society.

III. Developing technical rebuilding in a planned and systematic manner.

A very small proportion of the production technology of our existing enterprises has reached the world's present advanced level. By far, the greater part subsists at the level at which the advanced countries used to be in the 1950's and the early 1960's. Thus, in order to gradually realize the modernization of the national economy, we must pass through a necessary stage of extensive technical rebuilding. Naturally, we should continue to establish a number of new enterprises but the principal road to expanded reproduction is the technical rebuilding and renewal of equipment of existing enterprises.

The various industries and trades should study and formulate their own technological policy and plan for technical rebuilding and gradually carry them out after having laid a good foundation of reorganization and rebuilding. Due to insufficiency in technological power and funds, in the next few years technical rebuilding will be confined to only the key projects. As for the area to be covered in technical rebuilding, first of all we should tightly grasp the backbone enterprises and the central cities and towns and then follow up on a much larger scale. Technical rebuilding of the machine-building industry should come first so as to manufacture advanced technical equipment to arm the various departments of the national economy. As for the contents in technical rebuilding, first of all we should tightly grasp the promotion of those production techniques which have already produced good economic benefits. Good technological results must be organized for transfer from the coastal areas to the interior, from being purely for military use to joint military-civilian use and from outside the country to within the country. Finally, we should adopt even more new and advanced technology and artcraft. The various kinds of technical rebuilding should not be confined merely to increasing the quantity of output or to one-sidedly striving for a rise in the degree of automation. Rather, they should revolve around such concepts as practicing economy in energy consumption and use of raw materials, raising the quality and function of products and reducing the cost of production. An extensive development of technical rebuilding requires an enormous amount of work. We do not have sufficient experience and fall short in methodology. Hence, first, we must exert great efforts to formulate a policy, a plan and some concrete measures to promote technical rebuilding and, second, we must pay due attention to the study and solution of new problems that have arisen during the course of technical rebuilding in order to ensure that technical rebuilding can progress smoothly.

IV. Concentration of funds and strengthening construction of key projects.

Readjusting the economic structure, reorganizing existing enterprises and undertaking technical rebuilding work can play an exceedingly important role in lowering energy consumption and facilitating transport. However, taking a long view of the development of the national economy, we still need to step up the opening up of energy resources and the construction of communication and transportation facilities in order to ease the tense situation in energy supply and in communications and transport. The building of large coal mines, oilfields and power stations and the construction of railroads and seaports generally require a rather protracted period of time. The scale of the development of energy resources and of the construction of communication and transportation facilities in the 1980's will, to a very large extent, determine the growth rate in energy production and in communications and transportation capacity in the 1990's. Opening up energy resources and developing communication facilities requires large capital outlays and will be principally taken care of by the state. Therefore, in order to prepare for vigorous economic growth in the 1990's, the state must, beginning now, concentrate the necessary funds and speed up construction in the energy and communications sectors.

One of the principal demonstrations of the superiority of the socialist system is that the state can concentrate its financial and material resources for use in those sectors which are the most urgently needed and can produce high economic benefits. In our country, which is economically backward and has limited national power, appropriately concentrating capital funds for undertaking key construction projects is particularly necessary. Comrade Chen Yun once said: "In order to progress on a poor economic foundation, we must do the utmost to concentrate material and financial resources and make use of them in a unified way...." "If only we can concentrate our forces and use them on the necessary projects, it will be entirely possible to accomplish several big ones. We should never be so shortsighted as to engage in confusion in a number of projects without any plan." During the first 5-year plan period, we concentrated our main forces on undertaking the construction of 156 backbone and key projects, and very speedily the initial foundation for industrialization was laid. Subsequently, due to the concentration of too much financial power on the part of the state, the enthusiasm of the localities, enterprises and workers was restricted. Following the readjustment and restructuring work done in the last few years, in the distribution of national revenue a large proportion was devoted to improving the standard of living of people in the urban and rural areas while, at the same time, the mobile financial power owned by the enterprises increased rather rapidly. Generally speaking, this procedure is necessary and correct and has contributed much to promoting the development of production. Nevertheless, in the course of this procedure, distribution of capital funds appeared to be much too wide. This is seen in an increase in the absolute amount of national spending and in a decrease in the absolute amount of the state's financial receipts. Concurrently, fiscal deficit appeared and there was no guarantee that funds would be available for key construction projects. From now on, we should appropriately readjust the distribution of the national revenue so that the financial receipts of the state can have a relatively larger annual increase, but this must be done on a foundation of developing production and vigorously increasing social wealth as well as observing the conditions of protecting the rational interests of the workers, enterprises and localities. In so doing, we can reduce and overcome the character of blindness in construction work undertaken by certain localities and enterprises. We can also enable the state to control the absolutely necessary funds for strengthening key construction and thus realize a proportionate and stable development of the national economy. This is in conformity with the basic and long-term interests of people of the whole country.

V. Energetically training qualified personnel and promoting scientific and technological research and studies.

Workers in our country have a low cultural level; trained and experienced workers, scientific and technical personnel and people versed in management and administration are extremely scarce. Moreover, of the available qualified personnel at present, many are unable to fully display their talents. These conditions have seriously impeded development of the economy. Man is the main factor in the creation, handling and utilization of advanced production methods and production technique. Progress in science and technology and a rise of the management and administration level are based on the training of talented personnel. Statistics from abroad and our own experiences have amply shown that the higher the cultural and scientific level of the workers, the higher the labor productivity rate and the more rational proposals, creations and inventions they can produce. Actually, the training of qualified personnel cannot be done in a single day's time. Only through tightly grasping the training of personnel in the 1980's can we expect a general rise in the scientific and cultural level of the entire body of workers in the 1990's and expect a sizable increase in the ranks of various kinds of specialized personnel. Hence, we must do our best to increase the expenditures allocated to education, vigorously develop various grades and categories of educational enterprises and adopt various measures to raise the workers' degree of competence and their level of knowledge and also train a sufficient number of various kinds of specialized personnel who can meet the quality requirements. We must organize our existing scientific and technical forces to tackle key scientific and research topics and strive for early and quick results. We should make good use of the existing intelligent elements and select and place the better ones in important posts on the various front lines and in various enterprise units. As for those young people and intelligent elements who play a backbone role in production and construction, we should adopt concrete measures to gradually improve their treatment and work conditions so that they can render even better services.

VI. Gradually implement the restructuring of the economic system.

In doing various kinds of economic work and solving various economic problems, what is most fundamental is to arouse the positivism and enthusiasm of the vast masses of people, of the production units and of the localities and departments and to scientifically organize them together with due consideration of the interests of all of society and the requirements of specialized large-scale production. In order to realize this objective, we must restructure the economic system. For a prolonged period of time, our economic system has suffered from the defect of an overconcentration of power and of having exercised a too vast and too rigid control. In consequence, the power, responsibility and interests of the various quarters have not been joined together well and this, in turn, has affected the display of their positivism and enthusiasm. In the last few years, the economic system has been restructured to a certain extent. The decision-making power of the enterprises has been enlarged and due attention has been paid to linking together the production and operation results of the workers with the material benefits accorded to them. As a result, there have been obvious signs of an enlivening of the economy. Naturally, this restructuring is still in its initial stage. Much important restructuring work still needs to be done in order to set up, with due consideration of our country's actual conditions and based on socialist principles, an economic system which can, under a centralized and united leadership, fully arouse the positivism of the various quarters.

The "report" specified a series of important principles covering the future restructuring of the economic system and further pointed out the basic direction of the restructuring work. These principles are: Under the logical premise of firmly insisting on the state-run economy occupying the leadership position, developing the cooperative economy of the collective ownership system and the individual economy of the workers and making the various economic forms rationally fit in with each other and promote each other's development; within the state-run enterprises and the collective enterprises, earnestly implementing the responsibility system in management and control and carrying out, in an even better way, the Marxist principle of material interests; firmly insisting on planned economy as the main body and regulation by market mechanism as the supplementary part and, in the control of economic activities, adopting the three different forms of planning of the directive type, planning of a guidance nature and regulation by market mechanism so that while employing administrative measures, attention will be simultaneously paid to letting economic levers fully play their role. Overall realization of these principles will make it possible to join together in a satisfactory manner the enthusiasm and positivism of the various quarters with the united and planned nature of the country's economic activities. This will propel the national economy to proceed along the socialist road in a lively and proportionate manner and achieve the best economic benefits. We must, following this direction and based on investigation, research and the summing up of experiences, tightly grasp the formulation of the general plan for restructuring and the procedure of implementation, actively carry out the preparatory work for restructuring and push the restructuring work forward step by step.

In the 1980's, the tasks facing the economic front are enormous. Of the six categories of tasks mentioned above, each and every one of them requires us to exert great efforts and to perform a large amount of difficult and tedious work. In mentioning that in the 1980's we cannot seek too high a growth rate, we do not mean that we can afford to be lax or dilatory in our work. On the contrary, we must firm up our spirit, actively press forward and strenuously but tenaciously engage in the struggle. Only in this way will it be possible for us to solve one by one the various problems left over by history, raise the economic effect on various sides, effect in the near future a basic improvement in the financial and economic situation and then proceed forthwith to lay a firm foundation for the subsequent vigorous economic growth. By the 1990's, as a result of the readjustment of our economic structure--including the production structure--product structure and organizational structure of the enterprises having been completed, the economic control system having become in the main rationalized, the management level and level in production technique of the enterprises having been generally raised, and the fundamental sectors such as agriculture, energy, communications, education and science having been strengthened, an overall new state of upsurge will assuredly appear in the economic construction in socialist modernization of our country. The growth rate will be definitely much higher than in the 1980's. Pressing forward along the correct road designated by the 12th party congress, the time for new vigorous economic growth in our country will surely be ushered in. This is definite and there is no doubt about it.

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STUDY THE REPORT TO THE 12TH CPC CONGRESS FROM THE HIGH PLANE OF COMMUNIST IDEOLOGY

Beijing RED FLAG in Chinese No 18, 16 Sep 82 pp 73-76

[Article by Xiong Fu [3574 1788]]

[Text] In his report delivered at the 12th CPC Congress, Comrade Hu Yaobang took the communist ideological system as a guide to make an analysis of the present reality in our country and put forth the great task of creating a new situation in all fields of socialist modernization and formulated a series of guiding principles and policies in order to accomplish this great task after summing up the experience which brought about a historical change through the practice of bringing order out of chaos. In other words, the 12th CPC Congress has definitely assigned to the whole party, the entire army and people of various nationalities throughout the country a new combat task and program in the new historical period. How should we study the report and implement it well in practice? This is the first thing which we should pay attention to when studying the report to the 12th CPC Congress.

We all know that the present struggle which we are carrying out for building China into a socialist and modernized country is a practice of the communist movement in China characterized by the development of socialism and an inevitable stage in the great historical process for the realization of communism in China. The program for creating a new situation in all fields of socialist modernization put forth by the report to the 12th CPC Congress is actually our party's program for profoundly and extensively developing step by step the Chinese communist movement in the socialist society, the first phase of communism. This is the basic spirit of the report to the 12th CPC Congress, or its general spirit.

Comrade Mao Zedong said that people need a bit of spirit. Leading comrades of the central authorities have also told us repeatedly that we should inspire our spirit. To our Communist Party members and party cadres, this spirit means communist spirit. Only by using communist ideology to inspire our spirit can we effectively study the report to the 12th CPC Congress and implement it well.

When we talk about communism, it seems that all of us understand it because when we joined the party, we pledged to struggle for communism all our lives.

Do we really understand communism? Perhaps the answer is not in the affirmative. When all of our party members and cadres think over this matter deeply, they will find that a number of our comrades, including ourselves, have a vague understanding, or even a muddled idea, on communism, not to mention those who have degenerated into and become the captives of the capitalist ideology and shameful renegades of the communist cause. Some people regard communism as a visionary fantasy or an abstract concept which has not been tested by practice. Some people think that all revolutionary struggles carried out in the past had nothing to do with communism. Some people do not acknowledge that communist factors have existed and are developing in our socialist society. Some people even deny that we have entered the stage of socialist society--the first phase of communism. Through the study of the report to the 12th CPC Congress, we should, first of all, clean the dust and remove the dirt stains on the great banner of communism in our minds so that it will become brighter and more splendid. In so doing, we will strengthen our belief in communism, raise our communist consciousness, purify our communist values and consciously use the communist ideological system to guide and standardize our actions so that we will become qualified communist fighters.

Comrade Mao Zedong said a long time ago: Communism in which we believe refers to the communist social system and the communist ideological system. Now articles published in our newspapers and periodicals stress the two implications of communism: the communist social system and the communist movement. This idea is actually identical with that of Comrade Mao Zedong. The so-called communist social system means the brightest and most beautiful future social system discovered and delineated by the communist ideological system. The society of mankind will inexorably evolve into this social system. The name and Marxist world outlook of our party have explicitly pointed out that we should struggle hard to realize this lofty ideal. The so-called communist movement means the practical activities and process carried out under the guidance of the communist ideological system with the lofty ideal of realizing communism as their ultimate aim. Since the founding of the CPC, all revolutionary struggles and practices carried out by our party have been the communist movement guided by the communist ideological system. During the period of the new democratic revolution, Comrade Mao Zedong already explicitly pointed out: "The Chinese revolutionary movement led by the Communist Party embraces the two stages, that is, the democratic and the socialist revolutions, which are two essentially different revolutionary processes." ("Selected Works of Mao Zedong," Vol 2, p 330) He also said: "For the present period, new democracy, and for the future, socialism; these are two parts of an organic whole, guided by one and the same communist ideology." (Ibid., p 361) Comrade Mao Zedong went on to say: "When every Communist Party member joins the party, he has two definite aims in mind: to strive for the new democratic revolution and for the future socialism and communism." (Ibid., Vol 3, p 232) At that time, our party program explicitly stipulated that the realization of new democracy was the party's minimum program whereas the realization of socialism and communism was the maximum program. It also stressed that the party's utlimate aim was to realize communism. Since we have joined the party's ranks, we should accept the party program. In other words, all Communist Party members and advanced elements should stick to the ultimate aim of realizing communism and should be willing to struggle all their lives or even shed their blood and lay down their lives for the realization of this great aim.

The ultimate aim of communism cannot be successfully attained immediately after the outbreak of revolution. It has to undergo various stages of development. This has been proved by practice in China and all countries in the world. Although the starting points in various countries might be different and the stages of development might not be the same, they belong to the general historical process marching toward communism. Our starting point began with the semicolonial and semifeudal China. However, from the very beginning, the revolutionary struggle and practice carried out by our party have been a part of the historical process of the development of communism. As early as in the period of the new democratic revolution, Comrade Mao Zedong had already pointed out: "If any communist or communist sympathizer talks about socialism and communism but fails to fight for this objective, if he belittles this bourgeois-democratic revolution, relaxes or slows down even so slightly and shows the least disloyalty and coolness or is reluctant to shed his blood or give his life for it, then wittingly or unwittingly, such a person is betraying socialism and communism to a greater or lesser extent and is certainly not a politically conscious and staunch fighter for communism." ("Selected Works of Mao Zedong," Vol 3, p 232) Here, what Comrade Mao Zedong meant was that to realize communism, we should attach importance to the present revolutionary struggle and practice, otherwise socialism and communism would merely become "empty talk." In other words, to realize communism, we should undergo revolutionary struggle and practice representing various stages of development. Revolutionary struggle and practice at each stage always regards the realization of communism as the ultimate goal. They are an inevitable flight of stairs getting nearer and nearer to and marching toward the goal of communism. In a word, they are the practice and development of the communist movement under the guidance of the communist ideological system. Only by passing through and relying on the practice and development of the communist movement under different historical conditions can the communist system be eventually established.

At present, the Chinese communist movement led by our party is at a very important stage of development. We have not only won a complete victory in the new democratic revolution and successfully brought about a transition from new democracy to socialism in our country's society, but have also established the socialist social system which is the first phase of communism. In spite of the fact that we suffered great setbacks in the process of carrying out socialist construction, we have, after all, established a powerful, independent and comparatively complete material base for this brandnew social system. We now have entered a new historical period of extensively carrying out socialist modernization and the 12th CPC Congress has formulated a program for creating a new situation in all fields of socialist modernization. In other words, the communist movement in our country has developed into a socialist society which is the first phase of communism and a communist movement with socialist construction as its content and form. Although the ultimate realization of the communist social system in our country is in the distant future, we are getting closer and closer to the lofty ideal of communism because our communist movement under socialist conditions has fully developed and matured. It might well be said that each and every Communist Party member and advanced element is not allowed to relax and slow down even so slightly or show the least disloyalty and coolness for the communist movement at the present stage. We have no right to do so. It is our sacred duty and responsibility to fight bravely and wholeheartedly or even shed our blood or give our lives for the realization of the loftiest ideal of communism. During the period of the new democratic revolution, tens of thousands of martyrs died a heroic death for the communist cause. They proved themselves to be great communist fighters. We, Communist Party members and advanced elements, should learn from them forever. At present, in our ranks of Communist Party members and cadres, there are tens of thousands of advanced figures who are fighting untiringly for the defense and construction of our socialist motherland. A number of comrades have even shed their blood and given their lives. We, Communist Party members and advanced elements, should also learn from them. We should bear in mind the teaching of Marx and Engels: "Communists are fighting for the immediate goals and interests of the working class. But in the present movement, they also represent the future of the movement." ("Selected Works of Marx and Engels," Vol 1, p 284) In other words, we should fight to attain the aim and accomplish the task of the present stage. At the same time, we should further promote this struggle in order to attain the eventual goal. This means we should continue to carry out revolutionary struggle under socialist conditions, vigorously expand social productive forces and continuously improve and develop socialist production relations and the superstructure and, on such basis, gradually eliminate all class differences and all social differences and social inequality resulting mainly from the inadequate development of social productive forces. Hence, we will be able to make preparations with respect to material and spiritual conditions for the transition to and eventual realization of communism. To accomplish this great historical task, people of many generations should carry out unswerving, heroic and arduous struggle and strictly observe discipline. Therefore, all Communist Party members and advanced elements should continue to maintain their communist purity and preserve revolutionary ideals and a vigorous revolutionary fighting will to carry through to the end this great revolution unprecedented in the history of mankind.

In this struggle, we should pay attention to making a distinction between communism and socialism, the two stages of development which are both interrelated and distinctive. In other words, we should adopt different programs for action and policies. It is, of course, wrong not to acknowledge socialism as the first phase of communism. However, it is equally wrong to confuse these two stages and implement the program of action suitable for the higher stage at the present socialist stage. With regard to this problem, the most important thing which we should do is to correctly understand and handle the relations between the communist ideological system and present policies. In his "On New Democracy," Comrade Mao Zedong said: "Beyond all doubt, now is the time to spread communist ideas more widely and put more energy into the study of Marxism-Leninism, otherwise, we shall not only be unable to lead the Chinese revolution forward to the future stage of socialism, but also unable to guide the present democratic revolution to victory." ("Selected Works of Mao Zedong," Vol 2, p 379) Equally, we can say that without the guidance of the communist ideological system, we will neither be able to attain the goal of communism in the future nor guarantee the victory of socialism and the implementation of the program of the 12th CPC Congress aimed at creating a new situation in all fields of socialist modernization. With regard to relations between the communist ideological system and present policies, Comrade Mao Zedong was right in saying: "We must keep the spreading of communist ideas and propaganda about the communist social system distinct from the practical application of the new-democratic program of action; we must also keep communist theory and method of investigating problems, undertaking research, handling work and training cadres distinct from the new-democratic line for national culture as a whole. It is undoubtedly inappropriate to intermix the two." (Ibid., p 380) What Comrade Mao Zedong meant here was the relationship between the communist ideological system and the revolutionary practice of the new democracy in history and revolutionary policies. The spirit and principle of his idea is equally applicable to our correct understanding and handling of the relations between the communist ideological system and the revolutionary practice of socialist modernization in the present stage and revolutionary policies. The differences are: Due to the fact that ours is now a ruling party and communist factors have constantly occurred and developed under socialist system, that material and spiritual preparation for the transition to communism is a basic content of the socialist period; and that we have resisted and defeated the rotten capitalist ideology and the corrosion and corruption of the remnant feudal ideology are still characterized by the nature of class struggle; it is absolutely necessary to expand and strengthen the study and propaganda of communist ideological system.

With regard to the program of action and present policies, it is beyond any doubt that we should implement the practice of distribution according to work and other socialist policies. However, we should also realize that to build and develop socialist spiritual civilization, with communist ideology as its nucleus, has been put on the agenda. This is a significant matter of preserving the socialist nature and orientation of the development of our social system. This is because a great number of persons holding a private ownership mentality and the ideas of the exploiting class left over from the old society will not disappear of their own accord, although material civilization continues to develop. The development of material productive conditions and material living conditions will not automatically give rise to communist ideology, morals and values, let alone establishing and developing new social relations between people characterized by socialist spiritual civilization. It is just as the report pointed out: If we neglect the building of socialist spiritual civilization, we will not be able to maintain the socialist orientation of our modernization. As a result, our socialist society will lose its ideals and goals, spiritual motive force and combat effectiveness. If this is the case, we will not be able to resist the corrosion of various corruptive factors, or will even embark on the reckless course of abnormal development and degeneration. Of course, we once committed "leftist" mistakes when we implemented our program of action and policies. We once pursued the practice of the so-called "poor transition" and "communist wind" characterized by equalitarianism and indiscriminate transfer of resources. The nature of these mistakes was that production relations were divorced from or even exceeded the development of productive force. We should bear this lesson in mind and avoid committing similar mistakes. At the present stage, we should stick to the system of distribution according to work and other socialist systems. However, we should not, for this reason, think that it is no longer necessary to take the communist ideological system as the guide of our action and advocate communist revolutionary spirit of the years of revolutionary wars and that communist morals, value and work attitude are "supraclass" things. All these viewpoints and thinking are obviously wrong and harmful. We should realize that at the present stage of social development in our country, that is, the first phase of communist society, the objective conditions and social basis for advocating and promoting communist spirit already exist. In a socialist society, socialist spiritual civilization is the ideological basis for relations among all members of society. In addition, communist ideology is a powerful pillar for socialist spiritual civilization. We should not demand that all members of society be communists. However, our Communist Party members and party cadres should be communists. Our Communist Party members and advanced elements should, first of all, set an example in both their thinking and acts and use the communist ideological system to guide and standardize their actions and become people with ideals and morals and who observe discipline. Only in so doing can they use their own exemplary behavior to influence the masses, unite with and educate them and train all members of society to be laborers with ideals and morals and who observe discipline. Only thus can they establish and develop new social relations among all members of society which embody socialist spiritual civilization. This is the most glorious, sacred and loftiest mission of all Communist Party members and advanced elements.

The 12th CPC Congress has shown that our party has become even more mature politically and ideologically and that it is able to have the complicated situation well in hand and continue to push forward our communist cause. All our Communist Party members and party cadres should become more mature politically and ideologically so that we will be able to consciously master the orientation of communism and make due contributions to the accomplishment of the great tasks put forth by the 12th CPC Congress. This is the ideological preparation, ideological level and level of political consciousness which we should attain in order to study well the report to the 12th CPC Congress and effectively implement its spirit.

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HOW TO STUDY THE FIRST PART OF THE 12TH CPC CONGRESS REPORT

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[Article by the Editorial Office for Theoretical Education]

[Text] The first part of the report delivered by Comrade Hu Yaobang at the 12th CPC Congress scientifically summed up the victorious experiences in effecting a great and historic change since the smashing of the Jiang Qing counterrevolutionary clique and, in particular, since the 3d Plenary Session of the 11th CPC Central Committee. It clearly pointed out the party's general task of pushing forward the socialist cause in the new historical period. The contents comprise the following four main points:

1. The main indicators of the great and historic change that has been brought about.

2. The basic experiences in effecting the great and historic change.

3. The far-reaching significance of this historic change in the light of historical experience.

4. The party's general task in the new historical period.

All these four points have rich contents which should be conscientiously mastered and profoundly comprehended in the light of actual conditions while studying them.

While studying the first main point, namely, the main indicators of the great and historic change that has been brought about, it is advisable to deepen our understanding in two aspects. One is to fully understand the tremendous achievements gained in the seven fields, namely, ideology, politics, organization, economy, culture and the work of the army and party in the last 6 years and, in particular, since the 3d Plenary Session of the 11th CPC Central Committee; the other is correctly to understand the present exceptionally good situation with a scientific method of thinking.

The report deals with our great achievements in the last 6 years and in particular since the 3d Plenary Session of the 11th CPC Central Committee, in broad outline. In our study, we must acquire a full understanding of the rich and concrete contents in the seven fields, in accordance with actual conditions, through reviewing the past and contrasting it with the present and we must realize that these successes were won only after we made arduous efforts and overcame obstacles of all kinds. They were indeed hard-won.

In looking back at the past, we see that during the decade of domestic turmoil, Marxism-Leninism-Mao Zedong Thought was seriously distorted and like the "incarnation of the golden hoop," "leftist" ideology fettered peoples' minds. Society was for a long time in a state of turmoil and the socialist democracy and socialist legal system were sabotaged. The leadership of quite a few party and government organizations was usurped by scoundrels. These scoundrels waged ruthless struggle against and struck merciless blows at the vast numbers of cadres and the masses and fabricated a heap of unjust, false and wrong cases. Socialist construction was obstructed and sabotaged and as a result, a large batch of industrial and mining enterprises had to stop work and production and the national economy suffered enormous losses. Educational, scientific and cultural undertakings were trampled underfoot and vast numbers of intellectuals were discriminated against and attacked. Our endeavors to build a modern and regular army were interfered with and the army's political work was undermined. The party organizations and the principles of democratic centralism and the fine traditions and style of the party were seriously damaged.

In contrasting the past with the present, we can more clearly see that the successes we have scored are tremendous and that an exceedingly favorable situation full of vitality and prosperity has emerged on all fronts of endeavors since order was brought out of chaos and the Marxist ideological, political and organizational lines reaffirmed.

In the spheres of ideology, politics and organization, large numbers of cadres and other people have freed themselves from the spiritual shackles of personality cult and dogmatism that prevailed in the past. This has stimulated thinking and ensured ease of mind inside and outside the party, giving rise to a lively situation where people try their best to study new things and seek solutions to new problems in the light of actual conditions. The principle of correctly distinguishing and handling the contradictions, which fall into two different categories, and the "double hundred" principle and the principle of "three don'ts" which were encouraged by Comrade Mao Zedong have been correctly implemented. The democratic system of the party and the state has become more and more perfect, the democratic life has been increasingly extended and the building of the legal system has been intensified in successive years. For example, the system of voters directly electing the people's representatives at the county level or below has been widely practiced. At present, about 300 new laws, decrees and administrative rules and regulations have been promulgated, including the criminal law and the law of criminal procedure which were never previously enacted after the founding of the PRC. The party's policies concerning the nationalities, religion, the united front, the intellectuals and others have been gradually implemented and the unity of the people throughout the country has been unprecedentedly strengthened. The unjust, false and wrong cases which occurred during the "Great Cultural Revolution" and the historical mishandled cases before it, have been basically redressed and righted, and large numbers of contradictions within the party and among the people have been properly handled. The merits and demerits, the rights and wrongs of some prominent leaders of the party and the state have been fairly evaluated, they have been rehabilitated and the contributions they made in history have been reaffirmed. On the basis of exposing and criticizing the factionalist setups of the "gang of four," the leading bodies of organizations at various levels throughout the country have been readjusted, reorganized and strengthened. Large numbers of outstanding young and middle-aged cadres are being promoted to leading posts and the leading comrades at all levels have, step by step, become more revolutionary, younger and more knowledgable and specialized.

Take economic work for example. First, we have realized the shift of the focus of work and brought about a turn for the better in the major disproportions in the national economy through the implementation of the policy of readjustment, restructuring, reorganization and upgrading. We have tried our best to make our economic construction suit China's national condition and tally with economic and natural laws and have enthusiastically carried out economic cooperation and technical exchanges with other countries, while maintaining independence and achieving self-reliance through rejuvenation. Guided by these principles, fairly rapid advances have been scored in industry and agriculture. From 1979-1981 the average annual increase in light industrial output value was 14 percent. The structure of industry is becoming more rational and coordinated. Agriculture has quickened its rate of growth, the annual average increase in the total agricultural output value between 1979 and 1981 was 5.6 percent. Export trade has grown at a rapid pace and the total volume of import and export trade in 1981 was 100 percent more than the 1978 figure. Remarkable improvements have been achieved in the living standards of urban and rural people. The net income of peasant families from 1979-1981 showed an average yearly increase of 18 percent, compared with 1978. In 1981 the average income of staff members and workers throughout the nation increased by 25.7 percent, and the average per capita increase in the real disposable income of staff and worker families was 30.8 percent. A total floor space of 220 million square meters of housing for staff members and workers was completed all over the country between 1979 and 1981, which was equivalent to the total sum of the 12 years from 1966 to 1977. More than 26 million people were given jobs between 1979 and 1981. What we have stated above is some instances of the general situation throughout the country. In our study, it is advisable to acquire a more detailed comprehension of the tremendous changes which have taken place since the 3d Plenary Session of the 11th CPC Central Committee in the light of the actual conditions on all fronts and in various localities so as to deepen our understanding of the great and historic change.

This great and historic change can be synthesized into one point, which is, that we have accomplished the task of setting the party's guiding ideology and practical work in various fields to rights. Through setting things right this time, we have, first of all, eradicated the evil influence of the Lin Biao and Jiang Qing counterrevolutionary cliques, corrected the "leftist" mistakes made before and during the "Great Cultural Revolution," including the mistakes made by Comrade Mao Zedong in his later years, corrected the erroneous "two-whatevers" policy pursued during the 2 years after the smashing of the "gang of four" and criticized the tendency toward bourgeois liberalism over the last few years. We have thus enabled the party's ideological, political and organizational lines and various tasks to embark on the correct course of Marxism-Leninism-Mao Zedong Thought. Nevertheless, it is a scientific summary of the 30 years of both positive and negative historical experiences of the party, a more profound understanding of the laws governing socialist construction and a further integration of the universal truth of Marxism-Leninism with the practice of the ongoing revolution and construction, rather than a simple restoration. While studying new things and seeking solutions to new problems, that is, in the practice under socialism, we have issued a series of correct theoretical and political principles and formulated a series of correct principles and policies, thus enriching and developing Mao Zedong Thought. Facts have proved that the party's line, principles and policies worked out since the 3d Plenary Session of the 11th CPC Central Committee are entirely correct and in conformity with the fundamental interests of the people and the laws governing the development of our socialist society. They have played a tremendous guiding role in the development of our socialist cause, in the practice of the communist movement at the present stage and in the completion of this great and historic change.

In approaching our victories and analyzing the situation, there is the question of method. Some people have an insufficient understanding of the great victory of the historic change and even take a skeptical attitude toward the exceptionally good situation. One of the important reasons for this is that the way they look at things is not on the right track. This state of affairs calls for solution in the course of our study.

It must be acknowledged that many problems accumulated during the 10 years of domestic turmoil and they cannot possibly be solved once and for all within a short time. There are still shortcomings and difficulties in our work. However, compared with the great successes we have achieved, they are after all secondary, partial and temporary. Marxism tells us that in approaching things, we should see their main aspects and the overall situation, and look at a thing with an eye to its course of development to avoid the subjective one-sidedness of not seeing the woods for the trees, or of a leaf obstructing the view of Mount Taishan. Take the living standards of the people for example. Some increases in commodity prices have indeed interfered with improvements in the people's livelihood, but so long as we settle detailed accounts in an overall manner, we will see that remarkable improvements in the living standards of the people have indeed been achieved. Although there still exist unhealthy tendencies of all kinds in the party style, taken as a whole, all these are not the essential and principal aspects. Moreover, we are already most firmly determined and are taking strong measures to solve these problems. We have struck resolute blows at the serious criminal activities in economic and other fields. This is an eloquent proof. Of course, we must not rest on our laurels, and even less must we make an attempt to conceal our shortcomings and problems. However, we must not doubt that there is an exceptionally good situation in the face of the shortcomings and problems and never let them interfere with our confidence in forging ahead.

While studying the second main point, namely, the basic experiences in effecting the great and historic change, we must not only have a serious comprehension and acquire a better understanding of these experiences, but we must also emphatically ponder how to apply these experiences to our work and actions in the light of actual conditions.

The basic experiences gained by the CPC Central Committee in leading the whole party and the people of all nationalities throughout the nation in effecting the great and historic change in the last 6 years are: 1) To be bold in making self-criticism and correcting mistakes in the spirit of seeking truth from facts; 2) to wage timely and appropriate struggles on two fronts--against both the "leftist" and rightist deviations; 3) to adopt the scientific work method of first tackling the key problem so as to facilitate the solution of the rest; and 4) to trust the people and rely on them, and act in compliance with the requirements of the people and historical trends. These four experiences are the concrete application of the basic principles of Marxism-Leninism-Mao Zedong Thought in new historical conditions.

It is a manifestation of thoroughgoing materialism to be bold in making self-criticism. Marx said that one different aspect between proletarian revolution and other revolutions is that the proletariat criticizes itself and expands itself by depending on criticizing itself. Lenin said: "The attitude a party takes toward its mistakes is the most important and reliable yardstick for measuring whether or not this party is serious and whether or not it genuinely makes great efforts to carry out its commitments to its own class and to the masses of the working people." ("Selected Works of Lenin," Vol 4, p 213) Criticism and self-criticism are the fine tradition of our party, but because of personality cult prevailing for years in the past, the party democratic life was damaged and as a result, our party lost, to a certain extent, its courage to make self-criticism and timely correction of its mistakes. Lin Biao and the "gang of four" even went so far as to push this abnormal state of affairs to extremes. It is because we have restored the fine tradition of the thoroughgoing materialist principle of seeking truth from facts and of being bold in making self-criticism, since the 3d Plenary Session of the 11th CPC Central Committee, that we can bring order out of chaos, correct the "leftist" mistakes which have for long years held a leading position, correctly appraise the merits and demerits, the rights and wrongs of Comrade Mao Zedong and scientifically sum up the historical experience since the founding of the PRC.

Waging timely and appropriate ideological struggles on two fronts--against both the "leftist" and "rightist" deviations and avoiding focusing on criticism of one erroneous tendency to the neglect of another are the objective requirements of the course of revolutionary struggles and the concrete application of materialist dialectics in the practice of revolution. Our party has paid a high price many times and has learned grievious lessons in this respect. Although it has also gained successful experiences, the problems in this respect have not been all along solved satisfactorily. After the founding of the PRC and beginning from the end of the 1950's, with the development of "leftist" guiding ideology, there emerged in our party erroneous tendencies of "leaning to the 'left' is preferable to leaning to the right" and "inclining to the 'left' and not to the right." For a considerable period of time, we have acted contrary to the basic principle that we should wage a struggle on two fronts. People were allowed only to oppose the rightist deviation and forbidden to oppose "leftism" and all this resulted in the serious consequence of the "leftist" things growing in number and the "leftist" mistakes becoming harder and harder to correct. This problem remained unsolved for a period of time after the smashing of the "gang of four." The tremendous service of the 3d Plenary Session of the 11th CPC Central Committee was that we set right the guiding ideology of the party and began to correct the "leftist" mistakes made before and during the "Great Cultural Revolution" in a comprehensive and earnest way. Since the 3d Plenary Session of the 11th CPC Central Committee, our party has adhered to the principle of waging a struggle on two fronts and in handling various practical problems, it has done its best to establish the scientific and comprehensive way required by Marxism. In the course of making a clean sweep of the "leftist" mistakes and, when they emerged, the tendencies toward bourgeois liberalism in society, our party conducted criticisms and struggles in good time and reiterated the four basic principles. On various fronts and in every type of work, our party implemented the spirit of opposing "leftism" if there are any "leftist" things and opposing rightism if the rightist deviation emerges. This is indeed the key for us to correctly handle various social contradictions.

The method of tackling the key problem first to facilitate the solution of the rest is also the concrete application of materialist dialectics in practical work. Lenin said: "It is far from sufficient to be only an ordinary revolutionary and a supporter of socialism or a communist. It is necessary to be good at seeking a specific link in a chain at every opportunity and it is necessary to spare no efforts to grasp this link in order to have a firm hold of the whole chain and make steady preparations for the transition to the next link." ("Selected Works of Lenin," Vol 3, p 526) Comrade Mao Zedong also often taught us to be good at first grasping the principal contradiction to facilitate the solution of the other contradictions. Since the 3d Plenary Session of the 11th CPC Central Committee, the reason why our party, in a situation in which the contradictions are complicated and the problems are in heaps, can continually open up new prospects in its work, is inseparable from its adherence to using this scientific work method.

Trusting the people and relying on them is a historical materialist basic principle widely known to all. In the protracted practical revolutionary practice, our party has all along upheld this basic principle and listened attentively to the voice of the people, reflected their demands and adhered to the mass line of everything for the masses, reliance on the masses in everything and from the masses to the masses. However, after we had seized political power throughout the country, arrogance, bureaucracy and commandism emerged among a section of cadres to a certain extent with their sense of the masses getting blunted, their ties with the masses being not so close. They turned a deaf ear to the voice of the masses. This is an important reason why we failed to do our work well in many fields and why we failed to correct our mistakes for years. The factors for the fact that our party has won victory since the 3d Plenary Session of the 11th CPC Central Committee are many, but in the final analysis, it is because the party's line, principles and policies are indeed in compliance with the inspirations of the people and in conformity with the trends of historical development.

These basic experiences summed up by the report are most valuable and they were gained only after the party paid a high price for them. We must cherish them the most. In the course of our study, we must not only master the spirit and essence of these experiences in terms of the integration of theory and practice, but what is more important, we must also really apply these experiences to our work and actions. These experiences seem to be quite familiar and not hard to understand, but it is not very easy to genuinely put them into practice. Take the matter of being bold in making criticism and self-criticism and correcting mistakes, for example. Some comrades have various kinds of ideological obstacles in this respect. At present, the phenomena of not daring to make criticism and self-criticism, of not daring to conduct education and enforce discipline and in particular, the phenomenon in which comrades who have been proved in practice to make mistakes have not yet made any self-criticism, are considerably serious among quite a few comrades. Similarly, some comrades are very often insufficiently firm in opposing both "leftist" and rightist deviations. For example, in a period of time after the smashing of the "gang of four," they were afraid of correcting "leftism" and later when bourgeois liberalism emerged, they were afraid of correcting rightist deviation. All these comrades should enhance self-consciousness in applying these experiences in the light of their ideological reality in the course of study.

While studying the third main point, namely, the understanding of the far-reaching significance of this great and historic change, it is advisable to have a better understanding in two aspects. One is the question of what enlightenment the previous instances of historic change in the history of our party gave us. The other is to understand the important position of the 12th CPC Congress in the history of our party through contrasting what happened in history with what is going on today.

There are two previous instances of historic change that took place in our party during China's democratic revolution, namely, the change from the failure of the Northern Expedition to the outbreak of the agrarian revolutionary war and the change from the failure of the struggle against the KMT's fifth "encirclement and suppression" campaign to the launching of the war of resistance against Japan. These two instances of historic change show a truth: The revolutionary struggles of the proletariat have never developed in a straight course and followed a straight line, and they will unavoidably suffer setbacks and even failures. However, so long as we conscientiously sum up experience and correct the line, principles and policies, we will be able to open up a new path for advance, turn setbacks into smoothness and advance from defeats toward victory. The people often say that failure is the mother of success. Of course, with regard to the reactionary classes, because they act contrary to the laws of historical development, their failures can be nothing but failures and definitely not the "mother of success." The revolutionary cause of the proletariat is a just cause and in conformity with historical trends, so for the proletariat, setbacks and failures are always temporary while advances and victories are inevitable. With this understanding, even in a desperate situation which is "as if the hovering dark clouds want to flatten the city," we can still remain calm and at ease and full of confidence and we can continue to struggle, rather than becoming passive and wavering and growing pessimistic and disheartened. Compared with the two instances of historic change, this change has taken place under vastly different historical conditions. Although we are still confronted with a great deal of difficulties and problems, we must however realize that our party has become more mature and experienced with greater strength. Under these circumstances, we must be more confident that our party can lead the people in overcoming the various kinds of difficulties lying on the road for advance and creating a new situation in socialist modernization.

The 12th CPC Congress was convened at a time when the party had brought about another great and historic change. This congress was similar to the Seventh CPC Congress in systematically summing up experiences and lessons and defining the correct path for continuing to advance through historical twists and turns. Before the Seventh CPC Congress, our party had carried out more than two decades of democratic revolutionary struggles. The stipulations of the Sixth CPC Congress, in 1928, concerning the nature and tasks of the democratic revolution were basically correct, but they failed to become a unified understanding in the whole party and to be objectivized in various kinds of work. Therefore, after the Sixth CPC Congress there emerged the adventurist "leftist" mistakes and then Wang Ming's adventurist line which ruled the party for 4 years, thus bringing grievous losses to the revolution. Later on, it was only through the Zunyi meeting and the Yanan rectification movement and till the Seventh CPC Congress in 1945 that the experiences gained during the period of the new democratic revolution were summed up in an overall manner. The thinking of the whole party was unified and the correct program and tactics were formulated, thus laying a foundation for the national victory of the new democratic revolution. During the period of socialism, from the 8th CPC Congress in 1956 to the 12th party congress, revolution and construction also experienced more than two decades of tortuous development. The line of the Eighth CPC Congress was correct but at that time, because the party lacked mental preparations for striving for all-round socialist construction, it failed to keep the line and many correct ideas drawn up by the eighth party congress going in practice. After the Eighth CPC Congress, we achieved numerous successes in socialist construction but at the same time we also suffered serious reverses, and in particular, we faced the occurrence of the "Great Cultural Revolution"—a decade of domestic turmoil. It was only after the smashing of the "gang of four," and through the party's 3d and 6th plenary sessions and till the 12th party congress that the historical experiences both positive and negative were summed up in an overall manner, the correct line, principles and policies were formulated, and another historic change was effected, thus laying a solid foundation for creating a new situation in socialist modernization. Like the 7th CPC Congress during the period of the democratic revolution, the 12th CPC Congress will be a most important meeting during the period of socialism.

While studying the fourth main point, namely, the party's general task in the new historical period, it is advisable to ponder over two questions: one is to acquire an all-round and comprehensive understanding of the general tasks; and the other is to have a correct understanding of the relationship between the long-range goals of struggle for the two decades up to the end of this century and the goals of struggle within the coming 5 years on the one hand, and the party's general task on the other.

The party's general task in this new historical period is to unite the people of all nationalities in working hard and self-reliantly to achieve, step by step, the modernization of our industry, agriculture, national defense, and science and technology, and to make China a culturally advanced and highly democratic socialist country. The realization of the four modernizations holds a key position in the general task. Only when the four modernizations are accomplished, can we lay a solid material and technical foundation for building a powerful socialist country. However, we must not confine our understanding of the general task exclusively to striving for the four modernizations. We must see that highly advanced civilization and highly developed democracy are similarly the component parts of our general goal of struggle and the important indicators of a powerful socialist country. Furthermore, to realize the above-mentioned goals, the most fundamental thing is to rely on the spirit of the people throughout the country, a spirit of achieving self-reliance through rejuvenation and of working hard. These contents of the general task are closely related and not a single one of them can be dispensed with. While studying it, we must acquire an all-round and comprehensive understanding of the general task.

The party's general task means its general line. Its program and requirements are applicable in the whole historical period of all-round socialist construction, while the program and requirements of creating a new situation in all fields of socialist modernization refer to the total goals which should be attained in two steps from now until the end of this century. This includes a central task, namely, economic construction. The four tasks which need to be carried out in earnest are as follows: Carrying out structural reforms and reforms of the economic system and ensuring that the cadres become more revolutionary, younger, more knowledgeable and specialized; building socialist spiritual civilization, developing socialist democracy and strengthening the socialist legal system; striking blows at all serious criminal activities in the economic and other fields; and rectifying the party's work style and organization. The task of striving to realize a fundamental turn for the better in three spheres within 5 years is surely included in these tasks. In order to fulfill the party's general task in the new historical period, it is first necessary to fulfill the task in the 5 years from the present party congress to the next, strive to bring about a fundamental turn for the better in the country's financial and economic situation, in the standards of social conduct and in the party's work style. Only when these short-term tasks are fulfilled, can we create a new situation in all fields of socialist modernization and similarly only when the long-range goals of struggle from now until the end of this century are attained, can we pave the way for fulfilling the general task. If we are not loyal, enthusiastic and keen in realizing a fundamental turn for the better in the three spheres and fail to fulfill the scheduled requirements, and if we are not loyal, enthusiastic and keen in creating a new situation in socialist construction and fail to fulfill the scheduled requirements, the fulfillment of the general task will come to nothing. Similarly, if we do not have the general task--this grand task--at heart, we will lose our bearings at every stage of development and in the various practical work in the near future and lack motivation. At the closing ceremony of the Seventh CPC Congress, Comrade Mao Zedong called on the whole party to fulfill the tasks of the seventh party congress in the spirit of the foolish old man moving the mountains. While struggling to fulfill the party's general task in the new historical period, we similarly need to learn from this spirit. Now in the face of difficulties, some comrades hesitate to press ahead, and the way of thinking of the coward and the sluggard characterized by attempting nothing and accomplishing nothing prevails among them. This state of affairs is extremely unsuited to the current situation and the party's tasks and thus has to be resolutely sorted out and eliminated in the course of our study.

CSO: 4004/3

WITHOUT THE COMMUNIST PARTY THERE WOULD HAVE BEEN NO NEW CHINA

Beijing RED FLAG in Chinese No 18, 16 Sep 82 p 81

[A song (lyrics and music) by Huo Xing [3499 2502]]

[Text] (Moderato, Piu Mosso)

Without the Communist Party there would have been no new China.
Without the Communist Party there would have been no new China.
The Communist Party toils for the nation.
The Communist Party devotes itself wholeheartedly to saving China.
It pointed out to the people the way to liberation.
It led China to the light.
It kept up the war of resistance against Japan for 8-odd years.
It improved the people's livelihood.
It established base areas behind enemy lines.
It practiced democracy, which had many advantages.
Without the Communist Party there would have been no new China.
Without the Communist Party there would have been no new China.

CSO: 4004/3 END

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1 December 1982

China Report

RED FLAG

No. 19, 1 October 1982

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1 December 1982

CHINA REPORT

RED FLAG

No. 19, 1 October 1982

Translation of the semimonthly theoretical journal of the Central Committee of the Communist Party of China published in Beijing.

CONTENTS

Strive To Build a High Level of Socialist Spiritual Civilization (pp 2-9)
(RED FLAG commentator) 1

Build a Good Cadre Contingent According to the Principle That They Must Be More Revolutionary, Younger in Average Age, More Educated and Professionally More Competent (pp 10-14)
(Song Renqiong) 14

Developing Science Is a Strategic Key Point in China's Economic Construction (pp 15-20, 26)
(Yu Guangyuan) 23

An Important Basis for Reforming the Economic System (pp 21-26)
(You Lin) 33

Excerpts From Speeches Made at a Forum on Studying 12th CPC Congress Documents (pp 27-34) 43

- Build Socialism With Chinese Characteristics (pp 27-28)
  (Xue Muqiao) 43
- State and Tasks of Light Industry in the New Situation (pp 29-30)
  (Yang Bo) 46
- Quadrupling the Gross Annual Value of Industrial and Agricultural Production Should Be Based on Improving the Economic Results (pp 30-31)
  (Li Chengrui) 48
- Grand Objective, Reliable Measures (pp 31-32)
  (Fang Weizhong) 49

Make Sure To Regard Education and Science as Strategic Emphases (pp 32-33)
(Tao Dayong).. 52

Strive To Realize the Great Strategic Objective (pp 33-34)
(Xu Dixin)... 54

Imbue the Working Class With Communist Ideas Again (pp 35-40)
(Yu Yannan).. 57

How To Study the Second Part of the Report to the 12th CPC National Congress (pp 41-45)
(RED FLAG Editorial Office for Theoretical Education)........... 66

How To Study the Third Part of the 12th CPC Congress Report (pp 45-48)
(RED FLAG Editorial Office for Theoretical Education)........... 75

Our Banner Is Communism (inside back cover)
(Li Yourong, Meng Xianbin).................................. 83

STRIVE TO BUILD A HIGH LEVEL OF SOCIALIST SPIRITUAL CIVILIZATION

Beijing RED FLAG in Chinese No 19, 1 Oct 82 pp 2-9

[Article by RED FLAG commentator]

[Text] A very important move of the 12th CPC National Congress was that it made the task of building socialist spiritual civilization one of strategic importance, defining the party's fundamental theoretical stand and its principles of action with regard to it.

Since the 3d Plenary Session of the 11th CPC Central Committee decided to shift the whole party's work focus to the modernization of the economy, the CPC Central Committee has, on many occasions, made serious pronouncements in this regard. The most important of these are: First, in the speech [by Ye Jianying] marking the 30th anniversary of the founding of the People's Republic, approved by the 4th Plenary Session of the 11th CPC Central Committee, it was pointed out: The goals of our socialist modernization drive are not confined to the development of the productive forces. "Along with the reform and improvement of the socialist economic system, we will reform and improve the socialist political system and develop an advanced socialist democracy and a complete socialist legal system. While building an advanced material civilization, we want to raise the educational, scientific, cultural and health levels of the whole nation, foster lofty revolutionary ideals and morals, develop a rich and multifaceted cultural life, and thus build an advanced socialist spiritual civilization." Later, in December 1980, the central working conference discussed this question as an important item on its agenda and pointed out sharply: Without spiritual civilization, communist ideology and communist morality, how can it be possible to build socialism? The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC," adopted by the 6th Plenary Session of the 11th CPC Central Committee, in summing up historical experience and lessons, further affirmed the idea that life under socialism must attain a high ethical and cultural level, and summarized the objective of the party's struggle in the new period as one of turning China into a powerful, modern socialist country which is highly democratic and highly cultured. This is to say that our program of socialist modernization as a whole consists of the unity of a high level of socialist material civilization, a high level of socialist spiritual civilization and the unity of socialist economic construction and socialist political, ideological and cultural development.

This overall construction program, adopted since the 3d Plenary Session of the 11th CPC Central Committee, has now been affirmed by the party's national congress and developed systematically in the documents of the 12th party congress.

In dealing with this question, the party Central Committee proceeds not from abstract concepts, but from the new situation and new problems in actual life and from the historical experience of the development of socialism in our country and in other parts of the world. The elaboration on socialist spiritual civilization in the report to the 12th party congress rises from reality and history to the theoretical level and contains deep thoughts with regard to scientific socialist theory. Among them, the comprehensive epitome of the characteristics of socialism, the explanation of the concepts of material civilization and spiritual civilization, the elucidation on the dialectical relationship between material civilization and spiritual civilization and the view of socialist spiritual civilization having communist ideology at its core all represent new ideas. We should conscientiously study and consider these theses and, from a high theoretical and political vantage point, recognize the significance and role of socialist spiritual civilization in our program and strategy for building socialism as a whole, to guide us in both thought and action.

Marxist Explanation of the Concepts of Material Civilization and Spiritual Civilization

The concepts of civilization, material civilization and spiritual civilization, particularly that of civilization, are used extensively in Chinese and foreign documents and in daily life. But, in using these concepts, people often differ greatly in angles and emphases. Therefore, the meaning of these concepts is varied and not unified. In Marxist documents, the concept of civilization is also often used, and its meaning is not quite definite, either. Since practice has made clear that these concepts should be the basic concepts for making a Marxist analysis of social life, the concept of socialist spiritual civilization should become a basic concept of scientific socialist theory. Thus, it is an essential task for us in theoretical research to give these concepts an accurate Marxist explanation. The report to the 12th party congress has provided the foundation for such an explanation.

The report to the 12th party congress explains these concepts from the angle of the practical activities of mankind in transforming the world. This angle is the basic starting point for Marxists to observe and analyze the social life of mankind. The report cites remarks by Marx and Mao Zedong as the basis of its line of reasoning.

Mao Zedong is quoted as saying that the proletariat and other revolutionary people face a twofold task in their struggle for the transformation of the world: to change the objective world and, at the same time, their own subjective world. This is true for the struggle of the proletariat and also for the entire history of mankind. Marx, in analyzing the process of the disintegration of the primitive commune, said that in productive activity, not only the objective conditions are changed, but the producers themselves change. To explain the concept of civilization in this way, we should say that civilization, as the result of the transformation of the world by mankind, came into being together with human society, because the history of mankind began precisely with human efforts to transform the world.

Of course, it is also often said that mankind entered the civilized age at a certain time, and before that mankind was uncivilized. This division, however, is relative. In fact, it is a division between different degrees of development of civilization. Continuing to use the viewpoint of Morgan's book "Ancient Society," Engels defined the period in which man lived primarily by gathering natural products and when manmade articles were used mainly as supplementary tools for the gathering of these natural products as the age of barbarism, the period in which man learned to engage in animal husbandry and agriculture as the uncivilized age, and the period in which man learned to further process the natural products, that is, the period in which industry and arts came into being, as the civilized age. We should understand this in the sense that it is a relative division based on degrees of development of civilization. Subsequently, when higher standards were used to make another relative division, we see that Marx, Engels and Lenin called the capitalist society marked by big industry the civilized society, and the society before it the uncivilized society. At the same time, when they began to expose the system of exploitation, especially the barbaric circumstances concomitant with civilization under the capitalist system, they further pointed out that only under the socialist and communist system, with the elimination of exploitation, will the truly civilized age of mankind begin.

Civilization consists of a material aspect and a spiritual aspect. The transformation of nature results in material civilization, as manifested in improved conditions for material production and in a better material life for the people. In the process of transforming the objective world, people also transform their subjective world, and the production of spiritual values and the spiritual life of society also develop. The latter achievement is what we call the spiritual civilization, as manifested in a higher educational, scientific and cultural level and in higher ideological, political and moral standards.

This explanation in the report shows the vastness of the sphere of spiritual civilization. The so-called transformation of the people's subjective world should not be understood only as the transformation of their ideology, but should also include the development and transformation of the people's knowledge, achievements and cognitive ability and methods, and the development and transformation of the people's sentiment, will and sense of beauty.

Spiritual civilization includes, on the one hand, two major aspects: knowledge and culture, ideology and morality, or many attributes with these two main aspects as their basic contents; and, on the other hand, two spheres, namely, the sphere of the individual and the sphere of society, ranging from the individual's cultural, scientific, political and moral accomplishment, sense of beauty and mental outlook to the production of spiritual values, the spiritual life and customs and practices of society. In a word, it covers the development and transformation of the entire spiritual world of mankind.

While differentiating between material civilization and spiritual civilization, we must note that both are the result of interaction between material and spirit, objectiveness and subjectiveness. Tools used for material production result from the materialization of man's intelligence and science. On the other hand, products of spiritual production require a material outfit. All cultural undertakings--whether they are in the fields of education, science, literature, art, journalism, publications, radio broadcasts, television, public health or athletics and whether they involve libraries, museums or cultural relics--require material conditions and facilities. Thus, material civilization contains a spiritual element, while spiritual civilization has its material aspect.

The transformation of society and the establishment and development of new relations of production and new social and political systems are propelled and brought about by the development of material civilization and spiritual civilization. On the other hand, they also promote the development and determine the nature and orientation of these two kinds of civilization. In the final analysis therefore, the progress of society should be measured by using the development of material civilization and spiritual civilization as a yardstick.

The nature of civilization, both material and spiritual, is determined by the social system and the mode of production. This is an inevitable conclusion from the basic viewpoint of historical materialism. Marx stated repeatedly that the mode of production in material life governs the whole process of social, political and spiritual life. A given mode of material production created, first, a certain type of social structure and second, a certain relationship between man and nature. These two things determine man's state system and the way of his spiritual life, and as such, they also determine the nature of his spiritual production. From this viewpoint, we can see that with the changes in the mode of production in man's material life, civilization has developed from a primitive communal civilization to the slave system, feudalism, capitalism and socialism.

Socialist civilization is a civilization related to and suited to the socialist mode of production. Based on the socialist relations of production, it will inherit and assimilate all valuable material and spiritual fruits of man's civilization, let them be enjoyed by the working people and use them for the purpose of satisfying the needs and raising the level of the people's material as well as spiritual life. On this basis, it will develop and create a new civilization, the highest spiritual civilization and material civilization of mankind.

When we talk about socialist civilization, we proceed from and only from, the fact that the fruits of material civilization are enjoyed by the people under the socialist system, and they serve the people and socialism. We do not mean that the contents of material civilization, themselves, can be classified as being capitalist or socialist. When talking about socialist spiritual civilization, we refer to the nature of the spiritual civilization under the socialist system as a whole. In certain aspects of spiritual civilization, the ideology involved can be described as socialism or capitalism. In other aspects, for example, knowledge of natural science, spiritual civilization is just like material civilization, and it is described as being socialist because it is enjoyed by the people and serves the people and socialism. We do not mean to say that the contents of spiritual civilization themselves can be differentiated into capitalism and socialism. This must be made clear in applying these concepts.

Socialist Spiritual Civilization Is an Important Characteristic of Socialism

In the report [to the 12th CPC National Congress] there is one terse paragraph commenting on the socialist characteristics:

"Socialist spiritual civilization constitutes an important characteristic of the socialist system and a major aspect of its superiority. In the past, when referring to the characteristics of socialism people laid stress on the elimination of the system of exploitation, public ownership of the means of production, distribution according to work, planned and proportionate development of the national economy and political power of the working class and other working people. They also laid stress on another characteristic of socialism, the high development of the productive forces and a labor productivity higher than that under capitalism which were both regarded as a necessity and the end result of socialist development. All this is undoubtedly true, but it does not cover all the characteristics. Socialism must possess one more characteristic, that is, socialist spiritual civilization with communist ideology at its core. Without this, the building of socialism would be out of the question."

This leads to an important theoretical and practical question of how to generalize the characteristics of socialism and whether it is an all-inclusive generalization.

Is the above proposition well-grounded? Yes, it is.

In 1886 some people wanted to compile a literary collection entitled "What Is Socialism?" and asked Engels to contribute a short article. In response to this, Engels wrote: "Our view of the characteristics that distinguish a future noncapitalist society from our present society is a definite conclusion drawn from historical facts and the process of development. Without these facts and experiences, there would be no theoretical and practical value whatsoever. In my book 'Herr Eugen Duehring's Revolution in Science,' I tried to describe and explain the economic aspects of these characteristics. I have not been able to shorten this incomprehensive general description which is irrelevant to social problems, whether they are political or noneconomic in nature."

Engels' description of the characteristics of socialism contained in his book "Anti-Duehring" was reprinted in his pamphlet "Socialism: A Development From Fantasy to Science." This pamphlet, which Marx termed a popular little book on scientific socialism, was confined to the analysis of the economic aspects of the characteristics of socialism and only stressed that the proletariat would gain social rights, turn the means of production into public property to put an end to the separation of the producer and the means of production, and replace the anarchic state in the entire social production with production conducted according to predetermined schedule. This pamphlet did not discuss the other aspects of the characteristics of socialism because of limited space and because it was necessary at that time to first bring out the most important and decisive aspect, namely, the economic aspect. The opponents of Marx and Engels in polemics denied and overlooked the decisive role of the economy, a basic principle. The scientific socialism of Marxism is a definite conclusion derived from the analysis of the objective economic developmental process and distinguishes itself from utopian socialism that is divorced from the objective economic developmental process, and it proceeds purely from an ethical viewpoint. Therefore it was completely right for Engels to do what he did. Meanwhile, he also pointed out that the description of the economic aspect was still not an all-inclusive generalization of the characteristics of socialism.

In his work "Critique of the Gotha Program," Marx discussed the political aspects of the subject by elaborating on the idea that the proletariat should exercise revolutionary dictatorship during the transition from capitalist to socialist society. He also put forward the idea that, in the first phase of communist society, the laborer would draw from the social stock of means of consumption what the same amount of labor would cost. This is what people call the idea of distribution according to work, which is different from the idea of distribution according to need in a higher phase of communist society. Thus, Marx further delineated the economic characteristics of socialism.

Although all these are extremely important theses on the characteristics of socialism, they still cannot comprehensively generalize all such characteristics. However, there was no such need to do so at that time, and Marx did not set himself such a task. This is why Marx and Engels did not expound on the spiritual life of future society.

Of course, principled elucidations in this regard are of profound significance for us to transform all ideas derived from the old relations of production and old social relations and to develop education, science and art to the full, according to socialism. Lenin led the October Revolution to victory and then organized the people to strive to carry out the current task of building socialism. The situation posed revolutionary leaders the question of comprehensively generalizing the characteristics of socialism. In expounding the characteristics of socialism, Lenin particularly stressed the development of the productive forces and higher productivity than that in capitalist society, in addition to repeatedly explaining the above-mentioned points. He put forward the formula that communism meant Soviet state power plus the electrification of the country. He also said:

Communism means productivity created by united, voluntary and conscientious workers with advanced technology that is higher than the productivity in capitalist society. With the greatest proletarian revolutionary courage, Lenin did away with the mechanistic concept that socialist revolution can be carried out only in capitalist countries with the most developed productive forces. At the same time, he who kept a clear head as a Marxist stressed: In a country which has won the victory of the socialist revolution, but whose productive forces are less developed, the greatest efforts must be made to develop productive forces in order to lay a proper material and technical base for socialist society. It is entirely correct and of great significance for Lenin to have emphasized this characteristic of socialism. Of course, socialism does not yet possess this characteristic, but should have it. This characteristic is a prerequisite for the development of socialism and an end result of its development.

However, while stressing Lenin's thoughts in this respect, one must also note that Lenin never regarded the development of productive forces as the only task for building socialism. It was Lenin who repeatedly expounded the great significance of communist education, ethics, discipline and attitude toward work. He said: "It will take many years, even many decades, to establish a new labor discipline, create new forms of social ties between people and initiate new ways and means to draw people to participate in work. This is a most noble work and will produce the most results." He said: "Overcoming one's own conservatism, laxity and petty bourgeois egoism is the beginning of a change more difficult, more important, more profound and more decisive than overthrowing the bourgeoisie. The fundamental task of the Communist Party is to help train and educate the working masses so that they can overcome the old habits and practices left over from the old system--the habits and practices of private owners which are deep-rooted among the masses."

It was Lenin who suggested that, after the socialist political and social changes, it was necessary to carry out cultural changes and cultural revolution, that is, to achieve a higher level of universal education and develop material production, for only in this way would a country become completely socialist. He pointed out that it is necessary to acquire all sciences, technologies, knowledge and arts and use them to build socialism. Thus it was Lenin who set out the tasks in many areas of what we now call building socialist spiritual civilization, although he had not yet formed such a concentrated concept.

In light of the tradition of the Chinese revolution in winning victories through protracted, arduous struggles by relying on the guidance of the correct ideology, the political consciousness and dedication of the cadres and masses, and the rich experience unique to our party and army in ideological and political construction, Mao Zedong laid great stress on the important role of strengthening ideological and political work and developing the revolutionary spirit in building socialism. He also put forward many correct and profound ideas in this respect. For example: "Political work is the life-blood of all economic work." "Ideological and political work is the guarantee for the completion of economic and technical work."

"We should maintain the same vigor, the same revolutionary enthusiasm and the same daring, death-defying spirit we displayed in the years of revolutionary war, and carry on our revolutionary work to the end."

Now our party Central Committee has inherited the correct ideas of Lenin and Mao Zedong in this respect and summed up the lessons from the mistakes we made in this area. In the past, mainly under the "left" errors of widening and absolutizing class struggle, we failed to shift the focus of our work to economic construction and, for a long time, underestimated the importance of education, science and culture. Because of taking class struggle as the key link, our ideological and political work became very narrow in scope, and the method used was very simplistic and crude. In economic construction, we also made the mistake of exaggerating the role of subjective will and revolutionary spirit, violating the objective economic laws and neglecting the masses' material interests. In the past few years, we have resolutely corrected these "left" errors. At the same time, we have studied the new problems confronting us and new experience gained in this area after shifting our work focus to economic construction and put forward the basic task of striving to build a socialist spiritual civilization while building a socialist material one. We have thus established our program for building socialism in an all-round way and our theory summarizing all the characteristics of socialism. This is a new conclusion obtained from the historical facts and course of development of socialism and is undoubtedly of great theoretical value and practical significance.

The Relationship Between Spiritual and Material Civilization in Building Socialism

There is the viewpoint that spiritual civilization is determined by material civilization; that without a high level of material civilization, building a high level of spiritual civilization is out of the question; and that with the development of material civilization, spiritual civilization develops naturally. This viewpoint is incorrect.

Marxism stresses the decisive role of the productive forces in social development, which is a fundamental principle of historical materialism. The decisive role here is in the sense of the final analysis, refers to the entire course of historical development, and should not be oversimplified. In analyzing the interrelation between material and spiritual civilization, we cannot cast aside the social system. As viewed from the entire course of the development of the history of mankind, the progresses of material civilization, spiritual civilization and the social system respectively are in harmony and balanced. However, in each specific historical period and each different country, the development in these three areas is often uneven. Because of the influence of the social system and other factors, and because spiritual civilization encompasses a vast sphere, the state of evenness and unevenness between the levels of development in various different sectors of spiritual civilization and the levels of development of material civilization presents a complex picture.

Under the capitalist system, material civilization is highly developed in some countries, but in others, because of long periods of aggression, oppression and plunder by developed countries, material civilization is extremely backward. In the developed capitalist countries, the development of material civilization and progress in science and technology are not equally enjoyed by all members of society, and are often accompanied by spiritual cruelty, barrenness and degeneration. Aren't these the most obvious ugly phenomena under the capitalist system?

Under the socialist system, we should seek harmonious and mutual-promoting development of material and spiritual civilization. However, unevenness still exists, except that its nature and circumstances are fundamentally different from those under the capitalist system. In the actual course of the world's historical development, the socialist system was not first established in countries with the most developed material civilization. This fact has long since refuted the simplistic understanding of the historical materialist theory on the decisive role of developing, productive forces. Our country has established a socialist system, but our socialist system is still in the initial stages of development and our material civilization is not highly developed. However, our socialist system makes it possible for the fruits of material civilization to be enjoyed by all people and makes the development of material civilization to serve the people and society. This is different from any society ruled by the exploiting classes. The socialist system calls for, and will eventually ensure, the development of material civilization at a fairly quick pace in our country. Through the concerted struggle of our masses of people, we certainly can change our state of underdevelopment caused by deep, historical reasons and build a high level of socialist material civilization. However, the building of a high level of socialist spiritual civilization does not necessarily have to wait until the material civilization is already highly developed, just as socialist revolution did not have to take place first in countries with the most developed productive forces. The report puts it well: "The establishment of the socialist system makes it possible for us to build a high level of socialist spiritual civilization while striving for a high level of material civilization, just as the development of a modern economy to a certain level and the appearance of the most advanced class of our time, the working class, and its vanguard, the Communist Party, make it possible to succeed in socialist revolution."

Among the various aspects of spiritual civilization, the development of undertakings such as education, science and culture requires appropriate material and technical means whose scale, quantity and technological level, to a large extent, depend on the level of development of material civilization. However, the people's ideological and political consciousness and moral standards, mental outlook and spiritual life of the society, in other words, the ideological content of spiritual manifestations and social relations and practices can reach a very high level as a result of the establishment of the socialist system and the consciousness and struggle of the masses of people under the leadership of the Communist Party. This is not only possible, but a matter of course, and has been proven by history. The popularization and development of Marxism and communist ideals in the whole society among the masses of people, the establishment and promotion of socialist relations of unity and mutual assistance among the people, and the formation of new ethical concepts and consciousness in observing discipline and social customs and practices are the most important and realistic manifestations of the superiority of the socialist system. The socialist system and its spiritual civilization provide a strong impetus for the development of material civilization and will ultimately create a material civilization higher than that of capitalism. Then, the superiority of the socialist system will be fully manifested.

In discussing the erroneous view that spiritual civilization develops in the course of the development of material civilization, we must point out that although material civilization is an indispensable foundation for socialist spiritual civilization, it will not develop simply because it has the foundation provided by material civilization. The development of socialist spiritual civilization requires that the broad masses of people, relying on this foundation and under the leadership of the Communist Party, consciously make unremitting and hard efforts. At the same time, the building of material civilization needs the spiritual impetus provided by socialist spiritual civilization to ensure its development along the correct course.

When we say our modernization is socialist modernization, we mean that as a social process, our modernization requires not only the development of material civilization, but also that the socialist system and socialist spiritual civilization ensure the socialist orientation of this development. The building of socialist spiritual civilization is one of the most important guarantees for our adherence to the socialist road and concentration of our efforts on building the four modernizations.

The report says: If the great task of building a socialist spiritual civilization guided by communist ideology is overlooked, people will fall into a one-sided understanding of socialism and direct their attention exclusively to the building of material civilization or even only to the pursuit of material gains. In that case, we will not be able to safeguard the socialist orientation of China's modernization, and our socialist society will lose its ideals and objectives, its spiritual motivation and fighting will, lose the ability to resist the inroad of corrupt influences and even develop distortedly and degenerate.

This is an important exposition which merits our deep thought. Only when we understand the dialectical relationship between material and spiritual civilization can we regard the building of spiritual civilization as a strategic goal which concerns all aspects of socialist construction, can we understand that the building of spiritual civilization is an important question having a vital bearing on the success or failure of socialism, can we regard the struggle for building a high level of socialist spiritual civilization as a task for the whole party, a common task for all fronts and an honorable task every cadre and citizen is obliged to take part in. Every builder of spiritual civilization should realize his solemn obligation. His entire work should serve, but not deviate from and much less undermine socialist and communist education among the people. He should also work to help and promote the building of material civilization. Every builder of material civilization should realize that he, too, shoulders the task of building spiritual civilization. He should not only produce more and better material products but also train one generation after another generation of new socialist people for the purpose of material production. He should by no means obstruct or undermine the building of socialist spiritual civilization under the pretext of carrying out economic policies, measures and work. Moreover, he should pay attention to and support the development of cultural construction in various fields. In this way, socialist spiritual civilization becomes a great motive force for building material civilization and the building of material civilization gradually satisfies the material and cultural needs of the whole people and ensures free, all-round and full development of the people's spiritual life. Thus, in the building of spiritual and material civilization, each is the condition and objective of the other.

The Relationship Between the Cultural and Ideological Building in the Building of Socialist Spiritual Civilization

Comrade Hu Yaobang pointed out in his report: "The cultural and ideological aspects in socialist spiritual civilization permeate and promote each other." In both theory and practice, we must stress the unity of these two aspects and must not use one aspect to negate or belittle the other. Cultural development, which is very important, becomes even more important when our task is shifted from revolution to construction. The historic resolution adopted by the 6th Plenary Session of the 11th CPC Central Committee called on us to resolutely liquidate the erroneous views, such as underestimating the importance of education, science and culture and discriminating against intellectuals, which existed over a long period and reached a climax during the "Cultural Revolution." The report again pointed out: "In the past, owing to the influence of 'left' ideas and the small-producer mentality, such erroneous views were rife in our party over a considerable time. They seriously hindered the building of material and spiritual civilization in our country." For this reason, raising the understanding and strengthening the work of cultural development is especially urgent at present.

The report, delivered at the 12th CPC National Congress, regards the development of education and science as one of the three strategic priorities in China's economic growth, expresses the determination to gradually close the gap between cultural and economic development, and reiterates the decision that universal primary education must be achieved in the main by 1990 throughout the country, a task which should have been fulfilled long ago. The report also urges that development plans and goals for other cultural undertakings covering the next 5 to 10 years should also be worked out. These are the important tasks in building socialist spiritual civilization.

At present, the party is calling on the ranks of the cadres to become more revolutionary, better educated and more professionally competent and the people of the whole country to become idealistic, moral, cultured and with sense of discipline, thus stressing the unity between ideological consciousness and knowledge of culture. The raising of people's cultural and scientific knowledge is related to the raising of their ideological consciousness in view of the fact that mastering the Marxist world outlook and scientific theory will enable people to form their consciousness, ideals and convictions on a scientific basis and especially in view of the fact that mastering the professional knowledge required for socialist construction will enable people to put their ideological consciousness into practice in that construction.

There were a number of revolutionary martyrs whose level of education was not so high, but their revolutionary consciousness and sacrificial spirit will forever be our model and guide us in advancing. Of course, from now on, we cannot say for sure that people with a high level of education must also have a high level of ideological consciousness. If those martyrs were still living today, they would certainly respond to the call of the times and the party and strive to raise their cultural level and would never be complacent with, or proud of, their culture.

The socialist character of our spiritual civilization is determined by ideological education, which is the soul of cultural development. The development of all cultural undertakings must be guided by the Marxist world outlook and communist ideology. In view of some specific historical conditions, it is currently especially urgent to stress the importance of ideological education in building socialist spiritual civilization. Looking back in our history in the years of the revolutionary war and under the difficult material conditions, we formed a high level of revolutionary consciousness, ideals, morality and a new type of human relations among our revolutionary ranks and in our revolutionary bases, which attracted the people of the whole country, especially young people, and constituted an important guarantee for the victory of the revolution nationally. After the nationwide liberation in the pioneering stage of our socialist construction, the high degree of enthusiasm among the people of our country in studying Marxism and politics, and the spirit of serving the people wholeheartedly, cleaned up the filth left by the old society, formed a brand-new social practice and value, and gave strong impetus to our socialist cause, thereby demonstrating the great superiority of the socialist system in spiritual civilization and winning the respect of revolutionary people all over the world.

The mistakes and turmoil of the "Great Cultural Revolution" confused the people's sense of right and wrong, good and evil, and beauty and ugliness. They delayed and destroyed the building of material as well as spiritual civilization and dampened the people's conviction in Marxist ideology and the communist ideal, thereby giving rise to the corruptive ideas of bourgeois ultraindividualism and anarchism. The consequence has been extremely grave.

Since the downfall of the "gang of four," especially since the 3d Plenary Session of the 11th CPC Central Committee, we have brought order out of chaos, restored the true features of Marxism and socialism and liquidated the pernicious ideological influence of Lin Biao and the "gang of four." The situation is rapidly developing toward a healthy direction. But, eliminating the grave mental consequences that resulted from the "Great Cultural Revolution" is difficult and requires efforts for a long time to come.

Meanwhile, new problems have cropped up under the new situation. In the past few years, we have stressed shifting the emphasis on work, improved the people's livelihood, implemented the principle of distribution according to work, adopted the policy of opening to the outside world and of revitalizing the economy at home, and encouraged some people to get rich first. All this is correct and necessary and has gained marked results as well as the people's support. But, because of continuing class struggle within certain limits, because of the impact of the habits of the old-time private property owners and the impact of foreign capitalist ideas and because ideological and political work as well as management work cannot keep up with the demands of the changing period, some people now look forward to nothing but money and publicly claim that men die for wealth and birds die for food. All kinds of illegitimate and evil practices have come into existence. Even deplorable social practices, which had disappeared long ago in new China, once again prevail.

We must uphold the party's correct economic policies and encourage the masses' enthusiasm for developing production and for achieving prosperity through hard work. At the same time, we must be wary of the backlash of corruptive and depraved practices in our spiritual life. Through the party's repeated emphasis and the experience of actual life, the whole party and people can now better understand the importance and intensity of this issue. Much has been done and initial results have been achieved on all fronts in promoting socialist spiritual civilization, encouraging healthy trends and striking at evil practices.

The report called for a radical change for the better in the standards of social conduct and party work style in the next 5 years. It also pointed out that the party's ideological construction is the pillar that supports the whole society in building spiritual civilization. Efforts to popularize education of ideals, morality and discipline among the people throughout China, especially among the young people, are fundamental for a radical change for the better in the standards of social conduct.

We must proceed from within the party and conduct these educational programs successfully. As required by the report, we should arouse, with revolutionary ideas and spirit, the immense enthusiasm of the broad masses for building socialism so that our socialist cause will forever maintain its revolutionary vigor.

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BUILD A GOOD CADRE CONTINGENT ACCORDING TO THE PRINCIPLE THAT THEY MUST BE MORE REVOLUTIONARY, YOUNGER IN AVERAGE AGE, MORE EDUCATED AND PROFESSIONALLY MORE COMPETENT

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[Article by Song Renqiong [1345 0117 4522]]

[Text] The new party constitution adopted by the CPC National Congress has stipulated in clear and definite terms that "The party selects its cadres according to the principle that they should possess both political integrity and professional competence, persists in the practice of appointing people on their merits and opposes favoritism; it calls for genuine efforts to make the ranks of cadres more revolutionary, younger in average age and more knowledgeable and specialized." The core of the organizational work is the question of cadres. Making the ranks of the cadres more revolutionary, younger in age and more knowledgeable and specialized is a major principle of the party's cadre work in the new period. The comrades of the whole party must resolutely, unconditionally and enthusiastically propagate and conscientiously implement this principle.

The advance and formation of this principle went through a process. After the 3d Plenary Session of the 11th CPC Central Committee formulated the party's ideological and political lines in the new period, in July and August 1979, Comrade Deng Xiaoping inspected Shandong Province, Shanghai and Tianjin. On his inspection tour, he pointed out on many occasions during the journey that since the ideological and political lines have been formulated, the question now is that of the organizational line, that of cadres and in particular, that of selecting successors. Cadres who are competent and fairly young should be selected for promotion. On 29 September in the same year, in his speech delivered at the meeting to celebrate the 30th anniversary of the founding of the PRC, Comrade Ye Jianying stressed the need to pay attention to ensuring that "the ranks of cadres become younger in average age and more specialized step by step" and the need to try our best to "make the situation of our organization suit the political task of realizing the four modernizations." In May 1980, at the forum on the work of selecting and promoting outstanding young and middle-aged cadres, a forum which was convened by the Organization Department of the CPC Central Committee, Comrade Yaobang further pointed out that the so-called ideal leading bodies means that the members of the leading bodies must resolutely carry out the party's line, uphold the socialist road, possess professional knowledge and organizational and leadership ability, and must be in the prime of life and full of vigor. During this period, Comrade Chen Yun held that in selecting cadres, attention should be paid to the fact that they should possess both political integrity and professional competence. By political integrity, we mean, above all, upholding the socialist road and the leadership of the party. On this basis, the cadres should become younger in average age and more knowledgeable and specialized, and furthermore this method of selecting and using cadres should become a regular practice. The great historically significant decision adopted by the 6th Plenary Session of the 11th CPC Central Committee again clearly affirmed that "the party has decided to put an end to the virtually lifelong tenure of leading cadres, change the overconcentration of power and, on the basis of becoming more revolutionary, gradually reduce the average age of the leading cadres at all levels and raise their level of education and professional competence." From the above-mentioned sketchy review of the past, we can see that the policy of ensuring that the ranks of cadres become "more revolutionary, younger in average age and more knowledgeable and specialized" was worked out by the party Central Committee through careful consideration and on the basis of making repeated deliberations and of drawing on collective wisdom and absorbing all useful ideas. It is the crystallization of the collective wisdom of the party's leading core, it conforms with objective reality and also complies with the common aspirations of the party and the people.

To ensure that the ranks of the cadres become more revolutionary, younger in average age and more knowledgeable and specialized is a major subject put forth by the objective process of the continuous development of our socialist cause. With the 3d Plenary Session of the 11th CPC Central Committee as the milestone, our country has entered a brand-new period of development. During this period, the party should shoulder the heavy responsibilities entrusted by history of leading the people of all nationalities throughout the country in building the economically and culturally backward China into a modern and powerful socialist country. The task of carrying out such an unprecedented pioneering undertaking is extremely arduous. Although the domestic and international situations are favorable for us, we are still confronted with many difficulties. Of the various kinds of difficulties, the conspicuous difficulty is that the present conditions of the ranks of cadres are not suited to the requirements of the new situation. The main manifestations of this situation at present are: 1) historically, the members of leading bodies at various levels are universally 15 to 20 years older than they were before the "Great Cultural Revolution" and the gap between their present average age and that in the 1950's is even wider, that is, the phenomenon of aging is serious; and 2) a considerable number of cadres lack cultural knowledge and scientific and technical know-how, and the number of those who have received systematic professional training and have a knowledge of advanced science and technology and management techniques is even smaller.

This state of affairs is in sharp contradiction with the requirements of the socialist modernization program. If we ignore the question of cadres put forth by the objective process of the great historical turning point and fail to promptly and correctly solve this problem, it will be difficult to implement the party's political line, let alone continuously carry it out for long years. It is not alarmist talk to raise the question in this way. The practice of the international communist movement has given us grievous lessons. The profound lessons our party has drawn from solving the problem of successors and from building a cadre contingent remain fresh in our memory. Happily, we already have a large number of veteran revolutionaries who enjoy high prestige and command universal respect and have rich experience. At a critical moment in effecting a great turning point in history and facing the question of the cooperation between old and new cadres and the succession of the old by the new, with great foresight, they put forth in good time for the party a correct principle of properly solving the question of cadres, that is, a principle of ensuring that the ranks of cadres become younger in average age and more knowledgeable and specialized on the basis of revolutionization. Experience tells us that only a party which is not only good at formulating a correct political line but also good at formulating the organizational line which ensures the implementation--the effective implementation--of the political line, can be regarded as a mature Marxist party. Ours is precisely such a party.

To ensure the "four modernizations" of the ranks of cadres, it is first imperative to start with the "transformation" of the leading bodies at various levels. Our tentative ideas are that before the convening of the next CPC National Congress, 5 years of efforts should be exerted to substantially raise the political quality of the leading bodies at various levels, and reduce the average age of the members of the leading bodies at various levels by about 5 years compared with that before the organizational reform; by then, the young and middle-aged cadres who possess both political integrity and professional competence will constitute about 70 percent; those who have an educational level of institutions of higher education or above and have mastered certain professional knowledge will make up 60 to 70 percent. In particular: we must have some of the number one and number two men of great ability who can unite and lead all the leading bodies in opening up new prospects in work. Of course, since the various localities at all levels, trades and departments have their own specific tasks, the requirements of the political and ideological levels, age and composition of knowledge for the leading bodies must also differ accordingly. However, we must not waver in marching ahead along the lines of making the ranks of cadres more revolutionary, younger in average age and more knowledgeable and specialized, in building working bodies which are small in number but highly energetic and capable of continuously opening up new prospects in work. Can the above-mentioned tentative ideas be realized? The achievements gained in the organizational reform carried out in the organs under the direct jurisdiction of the party Central Committee and the ministries and commissions under the State Council in the first half of this year make us confident in answering in the affirmative. This reform which took us 4 months not only great reduced the authorized size of the party and government bodies at the central level and their staff but also widely reduced the average age of the members of the leading bodies of the ministries and commissions and bureaus under their jurisdiction by 4 to 6 years. According to the statistics of the 38 ministries and commissions under the State Council, the number of ministers, vice ministers and directors was reduced by 67 percent and the newly promoted young and middle-aged cadres constituted 32 percent of the total sum of members of the newly established bodies; moreover their level of knowledge was higher and more and more people were professionally competent. There are also quite a few successful instances in the localities, departments and enterprises and undertaking units where the organizational reform has not yet been carried out. This shows that the above-mentioned requirements are attainable so long as efforts are exerted.

The crux of the matter lies in the fact that the problem of "retirement" and "promotion" should be solved satisfactorily. By "retirement," we mean conscientiously and properly arranging for batches of old and infirm comrades to retire to the second or third line resolutely in accordance with the regulations of the party Central Committee concerning the retirement system for old cadres and the related regulations of the State Council. The practice of the organizational reform of the party and government central organs shows that the overwhelming majority of our veteran cadres have high political consciousness; can recommend wise and well qualified people out of concern for public interests; can proceed from the overall situation to conscientiously submit to the needs of revolution and the arrangements of the party organizations; can support young comrades whose seniority, prestige and experience are inferior to their own in their newly assigned work, and are willing to be assistants or to retire to the second or third line to take on the task of helping and guiding their young comrades and passing on experience to them. By "promotion" we mean promoting young and middle-aged cadres who have proved themselves to the leading bodies resolutely to be really outstanding after undergoing trials in practice, according to the principle of both political integrity and professional competence. As Comrade Chen Yun said: Not just a few dozen or a few hundred, but thousands and tens of thousands of cadres must be promoted. At present particular attention must be paid to training and selecting outstanding cadres who are about 30 to 40 years old. The promotion and retirement of this kind are closely related. For veteran cadres to withdraw from first-line leading posts is important while for young and middle-aged cadres to be promoted to these posts is more important. Careful and skillful handling is needed in solving the questions of who should retire and what should become of them and who should be promoted and to what posts. The most important thing in this regard is to find the right people and put them to good use.

The guiding ideology of the CPC Central Committee is quite clear on the matter of "promotion," that is, it is imperative to boldly promote cadres who possess both political integrity and professional competence, and are in the prime of life and capable of opening up new prospects in work to leading posts; at the same time, none of the "three types of people" and none of the people who have seriously violated the law and discipline in the political or economic sphere in recent years should be allowed to sneak into the newly established leading bodies. It is the solemn responsibility of the party committees at all levels and the departments of organization and of personnel affairs to manage these two matters well, conscientiously implement the party's standards for selecting cadres and persist in the practice of appointing people on their merits and opposing favoritism. At the same time, it is also necessary to earnestly heed the opinions of all sides and quarters concerned and the masses, restructure the practices of the organizational and personnel work which do not suit the modernization program and open up new channels for discovering, training and using qualified personnel. Who are the able and virtuous people whom the party and the people want most to select and put in important positions? The three requirements which the party stressed some years ago and the six basic requirements stipulated by the new party constitution for leading cadres at all levels to meet are identical in spirit. The requirements are the embodiment of the dialectical unity of Red and expert and the objectivization of the party's principle of both political integrity and professional competence in the new historical conditions. While grasping and carrying out these requirements, it is essential to strictly ensure the political standard first and to promote the comrades who really have a strong sense of party spirit, are honest and upright in their methods and dare to uphold principles. It is impossible to imagine that a man who lacks firm confidence in socialism and communism, who is alienated from the correct line, principles and politics of the party Central Committee, who is irresponsible in his work, in low spirits and morally degenerate in his conduct, and who violates the law and discipline can shoulder heavy loads in leading socialist construction. However, it is far from enough to pay attention exclusively to political integrity. Only when they become younger in average age and more knowledgeable and have a good grasp of their professions, can our ranks of cadres adapt themselves to the requirements of the new tasks of the new situation. It is a pity that those who possess political integrity without professional competence can hardly take up an important post although admittedly they are politically trustworthy; the professional competence of those who possess professional competence without political integrity is precisely enough to make them more self-seeking and wily.

If we put them in important positions, they will constitute a grave danger to us. At present, we must specially watch out for the people who rose to prominence by following the Lin Biao and Jiang Qing counterrevolutionary cliques; people who are seriously factionalist in their ideas; people who indulged in beating, smashing and looting; people who are opposed to the line followed by the party Central Committee since the 3d Plenary Session of the 11th CPC Central Committee; and people who have seriously violated the law and discipline in the economic and other spheres, and we must never let them sneak into leading posts. None of these types of people must be promoted and any of them who have already been promoted to leading bodies must be resolutely and thoroughly removed from the leading bodies one by one if discovered. This is an extremely important matter which concerns whether or not we can ensure the smooth sailing of the socialist modernization program and ensure the continuity of the party's Marxist line. We must never treat this matter casually.

To judge and select cadres at various levels, we must strictly act according to the basic requirements stipulated in the new party constitution and on no account must we lower the requirements on them in the slightest degree. Then are there thousands and tens of thousands of such qualified personnel for us to select for promotion? We not only already have such talent but also have rich resources of it. There is no harm here in calculating roughly the age, qualifications and records of service (the tempering they have undergone) and the composition of culture and knowledge of the existing cadres: 1) the comrades who are 36 to 55 years old number 11 million; 2) the number of cadres who took up their work after the victory of the war of resistance against Japan and before the "Great Cultural Revolution" is around 12 million; 3) the comrades who have reached the level of senior middle school graduate or above total roughly 12 million; and 4) the technical cadres of various professions amount to more than 8.3 million. After the founding of the PRC, we trained a total of more than 3.1 million university graduates and over 38 million graduates from senior middle schools and specialized secondary schools, at present the intellectuals who work in the units under the system of ownership by the whole people and under the collective ownership system number more than 25 million. It can thus be seen that it is entirely possible to select those who excel in all spheres and to choose one in a hundred from our huge treasure house of talent and to accelerate the promotion of cadres.

Over the last 2 or 3 years, the party Central Committee and the various localities and departments have done a lot of work in realizing the "four modernizations" of the leading bodies and certain achievements have also been scored in this respect. However, judging the work as a whole, the result is far from satisfactory. This does not mean that we have not yet selected any of the right people but what we mean is that the number of people we have selected for promotion is too meager. This plus the natural growth of the age of cadres has brought about the phenomena in which little change has taken place in the average age of the members of quite a few leading bodies and large batches of comrades who possess both political integrity and professional competence and are in the prime of life have not been promoted to appropriate leading posts. The problems and difficulties in this respect lie in the fact that, as Comrade Deng Xiaoping said: The existing organizational system and the way of thinking of quite a few comrades are detrimental to the selection and use of the talent that is needed most badly in the four modernizations. Where does the way out lie? Comrade Deng Xiaoping said: "We hope that the party committees at all levels will make a big turnaround on this matter, resolutely emancipate their minds, overcome one obstacle after another, break with old conventions and be bold in reforming the system of organization and of personnel affairs which are out of keeping with the times, in vigorously training, discovering and breaking the rules to promote outstanding talent and in waging resolute struggle against all phenomena of suppressing and trampling talent underfoot." In this respect, we, the Organization Department of the CPC Central Committee, did insufficiently in the past.

In the future, together with the comrades of the whole party, we must do our best to act as required by the party Central Committee. First of all, we must further deepen our understanding and in the selection work, we must pay regular attention to opposing feudal ideas, such as the mentality of "replacement according to seniority" and clear away the influence of "leftist" ideology in treating intellectuals, correct the idealist way of thinking of seeking "all-rounders," "perfect men" and the like in a way that deviates from reality, and really shift the emphasis of cadre work to the acceleration of the "four transformations" of the ranks of cadres so as to realize the "four modernizations" of the country.

It must still be pointed out here that making the ranks of cadres more revolutionary, younger in average age and more knowledgeable and specialized is a principle which should be carried out for long years throughout the whole new period. Carrying out the "transformation" in an on-and-off way will never attain the goal of "transformation." This is not only because people are getting older year after year, that is, today they are in the prime of life and some years later they will grow old and infirm, but also because the development of our cause calls for steady improvement of the requirements of being more revolutionary, knowledgeable and specialized. What is more, whether or not the newly promoted people can be well qualified must also go through trials in practice and they are bound to change. Therefore, we must implement the principle of ensuring that the ranks of cadres become more revolutionary, younger in average age and more knowledgeable and specialized and find good solutions to the problem of the cooperation between old and new cadres and of the succession of the old by the new with extremely great revolutionary toughness and with positive, steady and sure steps. People can see that the organizational reform of the central organs and the ministries and commissions of the State Council has pushed the "four transformations" of the leading bodies a big step further. This is however only the first step. According to statistics for the 34 ministries and commissions connected with the economy under the State Council, there are now 137 ministers and vice ministers as well as directors and vice directors with an average age of 57.93 years old, or 5.7 years less than before the organization reform. This is significant progress. However, if we do not continue selecting young and middle-aged cadres for promotion, after 2 years, their average age will again increase to more than 60 years old. It can thus be seen that if we relax our work a bit or do our work in an on-and-off way, it will be difficult for us to fundamentally free ourselves from a passive position. Therefore, it is imperative to reform the cadre system and to guarantee that the work of making the ranks of cadres become more revolutionary, younger in average age and more knowledgeable and specialized is institutionalized.

The shift of the focus of the party's work and the organizational and structural reforms require us to reform the unsuitable aspects of the cadre system. This is a historical necessity. The two go hand in hand. If we shut our eyes to the needs of development of the situation and do not enthusiastically and resolutely reform the aspects of the cadre system in which conditions are ripe and reform them partially, this will greatly delay our work. On the contrary, things will go contrary to our wishes if we regard this reform as a simple thing or take any hasty action. In reforming the present cadre system, it is first necessary to strictly implement the decision of the party Central Committee concerning the retirement of old cadres. The retirement of the old cadres at various levels must be carried out in accordance with the regulations of the party Central Committee concerning the method of reckoning age. Apart from some specific veteran comrades who have passed the age limit for retirement but are required to stay in the leading bodies by the decision of the party organizations concerned, the overwhelming majority of the old cadres must retire on the basis of doing a good job of persuasion and making proper arrangements for them. Good care must be given to the retiring old cadres and attention must be paid to bringing their role into play.

While their health permits, these comrades are encouraged to continue to make contributions to the party and the state within their power. When everybody is gradually accustomed to the implementation of the retirement system of cadres through years of efforts, the normal succession of the old by the new will be ensured institutionally. Of course, this system alone is far from sufficient. We must still establish and perfect the job responsibility system for cadres of various types and at various levels from top to bottom in the light of the organizational reform and the systems of assessment, promotion and demotion, and rewards and penalties for cadres which are suited to the job responsibility system; we must further perfect the systems of democratic election and appointment and removal of cadres in the light of perfecting political life and in accordance with the stipulations of the party and the state constitutions. Reform of the cadre system is a new thing. We will surely encounter many difficulties. However, if we fail to resolutely carry out the reform, we are bound to encounter more and greater difficulties. We hope that everyone will work strenuously in this respect and strive to lay a good foundation for further reforming the cadre system through the organizational reform of the units at various levels.

Finally, I would like to discuss the question of vigorously intensifying the education and training of cadres. The rapidly developing socialist modernization program requires us to continuously train and bring up cadres who are more revolutionary, younger in average age and more knowledgeable and specialized in larger quantities and of better quality and to fundamentally raise the quality of the whole contingent of cadres. This is a matter of strategy which has a bearing on the success or failure of our cause. In order to solve this problem, our country is stepping up its efforts and reforming the school educational work so as to infuse new blood into the ranks of cadres. One important task at present and for a period of time to come is that our work should be based on the universal raising of the standard of existing cadres. Apart from continuing to persist in training and tempering the cadres in practice, it is still necessary to train them on a large scale. Recently, the party Central Committee made a decision of strategic importance on training cadres on the job in rotation and urged the party schools at all levels, cadre schools run by government organizations and enterprises, and especially designated institutions of higher education and the specialized secondary schools to shoulder the regular training of cadres in their different capacities. In the future, in our use and promotion of cadres, we must attach importance to educational background and academic records as well as to experience and achievements in work. Therefore, cadres of various types and at all levels must try their best to acquire a certain level of formal learning and of educational knowledge. All cadres who are working and who do not possess the level of cultural knowledge needed in their work should be trained in rotation by stages.

There must be an assessment examination in the vocational training and academic records will be one of the important bases for making appropriate adjustments of cadres. At present, some localities and departments have not attached due importance to the work of training cadres and there are also some cadres who are unwilling to take part in study. This is wrong and must be rectified. We must launch a sustained upsurge for study among the cadres at various levels throughout the nation for the sake of the grand cause of socialist modernization; an upsurge in which people study Marxism-Leninism-Mao Zedong Thought, acquire general knowledge, master scientific and technical know-how and operational and management techniques and study all that is needed to build a high level of socialist material civilization and spiritual civilization. In the last few years, more than 8,100 party schools and specialized cadre schools at various levels have been restored and newly built and the ranks of cadres teaching in such schools have developed into an approximately 100,000-strong contingent; more than 130 institutions of higher education have run special training courses for cadres; the various localities, departments and some medium and large-sized enterprises have run large numbers of cadre training courses, and the number of cadres who have been trained in rotation and received vocational training has increased year after year. According to statistics, the number of leading cadres at county level throughout the country who were trained in rotation from 1979 to 1981 reached more than 200,000, constituting more than half the total of cadres of this category.

Although our work of educating and training cadres is still far from perfect, we have at long last made a good beginning and also accumulated some experience. So long as we make persistent and unremitting efforts and continue to march ahead along the lines of regularization and institutionalization, by the next national party congress, greater progress will surely be made in the quality, both political and professional, of the whole contingent of our cadres, greater improvement will certainly be achieved in the extent to which they are more revolutionary, younger in average age and more knowledgeable and specialized, and new and heartening successes will surely be scored in socialist modernization.

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DEVELOPING SCIENCE IS A STRATEGIC KEY POINT IN CHINA'S ECONOMIC CONSTRUCTION

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[Article by Yu Guangyuan [0151 0342 6678]]

[Text] Comrade Hu Yaobang's report delivered at the 12th CPC Congress has solved a problem of fundamental importance to science, because it has explicitly defined the important strategic position of science in our country's socialist construction. This has required the entire party and people throughout the country to attach importance to science and actively support and promote the development of science from various aspects so that they will play an important role in accomplishing our country's general task in the new historical period.

With regard to science, stressing a scientific attitude and urging vigorous development of scientific undertakings in China is a guiding thought permeating the whole report. While recounting the great historical achievements of the 3d Plenary Session of the 11th CPC Congress, the report points out that the plenary session "has set right the guiding ideology of the party and reaffirmed the Marxist ideological, political and organizational lines." This is the victory of the people and science. The report adds that after the third plenary session, "our party thoroughly summed up its historical experience in all spheres and scientifically explained numerous questions encountered in practical work, which concerned theory and policy in the building of socialism," "in handling various practical problems, we have done our best to act in the scientific and comprehensive way required by Marxism." After citing party achievements scored since the third plenary session, the report concludes: "In the final analysis, our party has been successful in the above efforts because it has adhered to the scientific Marxist principles of combining theory with practice and of recognizing the people as the makers of history." While recounting the socialist nature of the building of spiritual civilization being carried out in China, the report reiterates that the first main element of socialist spiritual civilization comprises the following points: "the working class world outlook and scientific theory of Marxism; communist ideals, beliefs and moral values." In conclusion, the report stresses: "We must resolutely take over and learn to use the stand, viewpoint and method of Marxism-Leninism-Mao Zedong Thought, acquire a deeper understanding of the actual work in all fields, make systematic investigations and studies, and be good at conducting appropriate criticism and education and waging necessary struggles against wrong tendencies. Provided we persist in doing this, we can certainly accumulate new experience, break new ground in theory and carry forward Marxism-Leninism-Mao Zedong Thought under new historical conditions and in great new fields of practice." We communists should use Marxist scientific truth to guide our actions in revolution and construction and regard it as a basic way of conducting ourselves in society. Therefore, while discussing scientific undertakings, we should, first of all, pay great attention to and actively support Comrade Hu Yaobang's expositions contained in his report concerning the science of Marxism and the importance of sticking to, popularizing and developing it.

The second part of Comrade Hu Yaobang's report "Bring About a Comprehensive Upsurge of the Socialist Economy" expounds strategic objectives of economic development for the next 20 years. It points out: "From an overall point of view, what is most important in our effort to realize the objectives in economic growth is to properly solve the problems of agriculture, energy, transport, education and science." "In short, in the next 20 years we must keep a firm hold on agriculture, energy, transport, education and science as the basic links and the strategic priorities in China's economic growth." In other words, the report regards the development of science as one of the few strategic priorities in economic construction.

In our country's economic construction, there are many things that we should pay attention to. Things which have important influence over the overall situation in the development of our country's socialist economy are not limited to the above-mentioned agriculture, energy, transport, education and science. From some previous work experience, we realize that we should avoid adversely influencing the whole work because of neglecting it while grasping the key links. Therefore, the report urges "effective solution of these problems on the basis of an overall balance." However, among several items it is absolutely necessary to regard some of them as our strategic priorities. When people understand this point, they will know which kinds of work in our economic construction should be taken seriously. This also enables us to make proper arrangements while formulating our plans.

Why should we regard science as a strategic priority in economic construction? As the report pointed out, the most important reason is that "the modernization of science and technology is the key to the realization of the four modernizations." Here I would like to express some specific views on this subject, placing emphasis on productive force, production relations and certain aspects of the superstructure.

First of all, I would like to talk about the direct influence of science on the development of productive forces.

I intend to approach the subject from three angles:

1. Laborers are the most fundamental factors in the social productive force. To ensure continued, steady and rapid development of social

production and the realization of the strategic aims of our country's economic development for this century, we should have sufficient numbers of physical and mental laborers who have attained higher levels of knowledge and skill.

However, in our country, as the report has stressed, "large numbers of workers and staff members lack the necessary scientific knowledge, general education and work skill and there is an acute shortage of skilled workers, scientists and technicians." Complete figures concerning cultural and technical levels of workers and staff members are not yet available. The number of scientific and technical workers (the number of personnel in social sciences not included) who work in units under the ownership of the whole people in the engineering, agriculture, forestry and public health fields and those who are engaged in teaching and research work amounts to 5.71 million people. The proportion of graduate students is very small and the number of university graduates and technical secondary school graduates accounts for 40 percent of the total number of scientific and technical workers. The number of graduates of factory-run and spare-time universities and people with other qualifications accounts for 20 percent. In other words, the number of scientific and technical workers in our country is small, only about 50 or so among 10,000 persons. The percentage of scientific and technical workers in developed countries is much higher. In the meantime, the level of our scientific and technical workers is not high compared with others.

To be more specific, in 1981 there were only 330,000 agricultural and forestry technicians working in the units under the ownership of the whole people, accounting for 0.04 percent of the total agricultural population throughout the country. In other words, on average, there were 5 agricultural and forestry technicians per 100 production teams. Even if the number of agricultural and forestry technicians working in the collective units is included, the total number did not increase considerably. Apart from that, their technical level is uneven. According to incomplete figures, on an average there is only one university or college graduate to every 10 communes and there is only one secondary technical school graduate to every 2 communes. Among party and government cadres at all levels who are leading agricultural production, only a few have acquired professional knowledge. According to a preliminary survey carried out among 2,448 cadres at the provincial, prefectural and county levels who led agricultural production, only 88 of them were graduates of agricultural college or a secondary agricultural school, accounting for only 3.6 percent of the total number of those who were surveyed. ("Training Leading Cadres for Agriculture Is a Task Which Brooks No Delay," published in JIAOYU YANJIU, No 5, 1981)

The above-mentioned situation cannot but adversely affect the development of our economy. If we fail to adopt very effective measures, the problem of low scientific and technical levels among laborers in our country will become more and more serious as our national economy continues to develop.

To change this situation, we should, first of all, strengthen education. Therefore, the report regards the development of education as a key link in the strategic expansion. It stresses: "We must work vigorously to universalize primary school education, strengthen secondary vocational education and higher education and develop educational undertakings of all types and at all levels in both urban and rural areas, including training classes for cadres, workers, staff members and peasants and literacy classes in order to train all kinds of specialists and raise the scientific and educational level of the whole nation." However, education and science are inseparable. The main task and contents of educational work in intellectual education is to pass on scientific knowledge. In the meantime, the raising of teaching levels is also determined by the enhancement of the scientific level. To ensure that our laborers possess knowledge and skills which conform with modernized production, we should arm them with modern science. Therefore, training of talented persons is an important aspect of our efforts in making science serve economic development. In the past when we talked about the role of scientific work, we often stressed the importance of making science serve the national economy and national defense, but seldom mentioned the act of making science serve education. In his report delivered at the 12th CPC Congress, Comrade Hu Yaobang closely integrates education with science and declares that they are the strategic key links in our country's economic construction. This will help us to deepen our understanding of the significance of making science serve education in economic development.

2. With regard to the two essential factors of the social productive force, apart from the essential factor of having laborers who possess certain production knowledge and skills, we should also have another essential factor, that is, various means of labor (or instruments of labor) produced, mastered and utilized by laborers. When world history developed into capitalist society, the creation and invention of the advanced means of labor or the significant improvement of the existing means of labor were the results of scientific research.

With regard to the relations between science and the progress of means of labor, Marx and Engels made many brilliant expositions. A few years ago, when we criticized the fallacy of the "gang of four" which negated the fact that science and technology are productive forces, many comrades quoted the works of Marx and Engels as proof of the criticism. The following is the most frequently quoted passage: "Natural work does not manufacture any machines, engines, railways, telegrams, spinning machines and so forth. They are the products of the labor of mankind. They have become the organs mastered by the will of mankind in order to tame nature and the natural materials of the organs of mankind for carrying out activities in the natural world. They are the organs of mankind's minds which are created by the hands of mankind and are the materialized force of knowledge. The development of fixed capital has shown that social knowledge in general has become a direct productive force to a great extent. Therefore, the conditions of the progress of social life are considerably controlled and reformed by intelligence in general. This has demonstrated that social productive force has been produced to a great extent not only as a form of knowledge, but also as a direct organ of social practice and the progress in actual life." ("Complete Works of Marx and Engels," Vol 46, pp 219-220)

Some comrades are not accustomed to the way Marx expressed his ideas and think that what he said is difficult to understand. Actually, it is easy to understand the passage. What it means is that such a means of production as a machine is, of course, a "natural material," but it is not a natural thing. It is a "natural material" which is "a product of the labor of mankind" and "created by the hands of mankind." One of the differences between the role of this "natural material" and that of other "natural materials" is that the former is mastered by the "will of mankind" to "tame" things in nature. In this respect, it has the same function as the "organs" of the human body. It is like our arms, hands, legs and feet which are controlled by our will. These means of labor are things directly used by mankind to carry out "social practice" and "be involved in the actual process of life." They are the creation of the minds of mankind and things created by mankind by making use of knowledge and science. Therefore, it is appropriate to say that they are the "organs of human minds" and the "materialized force of knowledge." After they have been created, they can turn social knowledge in general into a direct productive force. Due to the fact that under the capitalist system machines and other such things are regarded as fixed capital, the history of the development of the means of labor under the capitalist system is taken as the history of the development of fixed capital. Therefore, Marx said that the history of the "development of fixed capital" reflects to what extent scientific knowledge has been turned into a direct productive force and how social productive force, which has been realized in the "form of knowledge," has been turned into the material productive force which has played a direct role in social practice and actual life with the creation, invention and production of machines and other such things.

We all know that social productive force is material force but that science itself is a spiritual thing. Comrade Hu Yaobang says in his report: "While changing the objective world, people also transform their subjective world and develop spiritual production and spiritual life in society. The result of this constitutes spiritual civilization." He also points out that the progress of science is the result of spiritual production in society and that science is an important aspect of spiritual civilization. Since sciences belong to the spiritual side, a process of "materialization" is needed in order to turn them into material force. The role of sciences in education which we talked about previously is manifested as materialization of sciences in the substance of the human brain; and the role of creation and invention in improving the means of labor which we are discussing now constitute the materialization of sciences in these means of labor.

With regard to the specific role of sciences in creating, inventing and improving the means of labor, anyone can cite many practical examples. The whole of the recent history of the world proves this. Here, we would like to remind people that they should not take the means of labor to mean merely machines and facilities. A correct understanding should be: All material means mastered by laborers to conquer and reform nature fall into the category of the means of labor. The increase in quantity and level of the instruments of labor and the creation and application of new means of labor play a role in promoting social production. For instance, the role played by fine varieties in agriculture and animal husbandry is the same as that played by machines in industrial production. By using them in production, we can effectively enhance labor productivity in agriculture and animal husbandry and increase the output of agricultural products in society. The successful cultivation of fine varieties is the result of materializing sciences.

Let us cite hybrid rice as an example. In 1970, scientific workers in our country discovered the scientific fact of the existence of a "wild sterile rice plant" (the wild staminiferous sterile rice plant). In 1972, we succeeded in cultivating a staminiferous sterile strain and its maintenance strain. In 1973, we sorted out a number of superior rice plants of a renewing strain. We thus succeeded in cultivating "three complete strains" of rice plants--"sterile strain," "maintenance strain" and "renewing strain," and the first batch of nonglutinous hybrid rice plants was thus produced. For many years scientists in foreign countries have tried hard to cultivate hybrid rice, but their efforts failed. However, our scientific workers have succeeded in this respect and have cultivated a variety of high-yield hybrid rice. After much hard work over the past few years, the acreage under hybrid rice was expanded to 80 million mu in 1980, and accumulated acreage since its popularization in 1980 amounted to 250 million mu and the accumulated output reached 27 billion jin. These figures show that this newly created means of labor has brought great benefits to our country's agricultural production. Moreover, the benefits it brings to society are permanent, that is, it will benefit the society year after year, and with the expansion of acreage under hybrid strains, the interests it brings to society will increase yearly. This practical example shows us how sciences promote the development of our country's economy through the creation of new means of labor.

3. Social productive force does not mean the mechanical combination of the two essential factors of productive force mentioned above; it means an organic integration of these two factors. Social productive force is organized material force. Laborers, as one essential factor of productive force, are organized in accordance with certain divisions of labor. Instruments of labor, the other essential factor of productive force, are formed into a whole according to the movement of materials in the process of production and their links in space and time. Laborers and means of labor are integrated according to a certain form. Therefore, the three kinds of integration between laborers, between means of labor and between laborers and means of labor all have the problem of whether they are integrated in the most rational and effective way. They also have scientific problems which must be solved. For instance, while carrying out a capital construction project, we should do well in organizing work teams and arranging various kinds of machines and means of labor. We should carry out the construction project in the most rational and effective way. When we are building a factory, we should draw up designs concerning the installment and arrangement of machines in every workshop. The work of installing

machines should be done in accordance with designs drawn in the process of carrying out the project. This is the way to complete the three kinds of integration mentioned above.

The three aspects of integration mentioned above are part of the problem of the organization of productive force, and involve a number of scientific problems which should be solved and studied. These three aspects are one of the important spheres in which sciences play an important role in the development of the economy. So long as we study these scientific problems, achieve results, draw correct conclusions and apply these achievements to practical work, we will certainly be able to promote the development of the national economy.

Here we are looking at the role of sciences in the development of the economy from the angle of turning sciences into direct productive forces. However, what we talk about and the examples we cite are based on the practice pursued by an enterprise of production or a capital construction unit. If we extend our vision to the whole of society, we will encounter problems involved in organizing productive force and formulating plans within the sphere of the whole of society. For example, we will encounter the problem of how to fully exploit and utilize human resources, land resources and other economic resources in our country. We will also encounter problems of how to apply and popularize advanced and appropriate production technology, how to establish a rational structure of production, how to achieve the balanced development of the national economy, how to achieve the effectiveness of labor in the whole of society, how to enhance economic returns and so forth. Scientific research will play a very big role in solving these important problems. The reason why we regard sciences as an important strategic area in economic construction is because sciences can play a very important and active role in solving these problems.

As well as understanding why we should take the development of scientific undertakings as a strategic link in the development of our country's economy, we should also consider another problem. In other words, we should understand the role of sciences in the development of production not only from the viewpoint that sciences can be turned into productive forces, but also from the viewpoint that sciences can solve problems arising in relations of production and in certain aspects of the superstructure.

We have seen that in his report Comrade Hu Yaobang stresses the problem of the reform of the socialist economy system. Analyzing why economic returns in various fields in our country are still poor, the report gives the reason that "there are still defects in the economic management system and the distribution system." In his report, Comrade Hu Yaobang expresses the view that during the Sixth Five-Year Plan, "we should consolidate and improve initial reforms in the economic management system and firmly grasp the work of drawing up general plans and adopting measures for reforms." He adds that during the Seventh Five-Year Plan, "we should gradually carry out the reform of the economic management system."

What is the socialist economic system? My views on this issue are: If by the fundamental socialist economic system we mean the unchanging foundation of socialist production relations in all socialist countries in all periods of development, then the socialist economic system means that various different socialist countries or one socialist country can have different specific socialist production relations in different periods. The reform of the socialist economic system means that we should seek to establish an economic system which can promote social productive forces most effectively. The socialist economic system includes the production relations of the socialist state-operated economy and the collective economy in both rural and urban areas, and the structures of socialist ownership. The problem of the economic system in a state-operated socialist economy, that is, the state-operated socialist economic management system, is important and complicated. This involves economic relations between the state, enterprises and laborers and the relations between the state economic management organs and local economic management organs at all levels. Labor wages, finance, goods prices, financial tax revenue, state commerce, foreign trade and so forth face problems in the economic system. As long as we can solve some of the problems which severely hamper economic development in these areas, social productive forces will be further liberated. The complexity of the production relations within socialist collective ownership cannot of course be compared with that of the production relations within the state-operated economy. However, the reform of the production relations within socialist collective ownership may also play a great role. Since the third plenary session, we have implemented various systems of remuneration according to output in our country's rural areas. This has demonstrated that any reforms which conform with the present level of productive force in our country will have the effect of greatly promoting productive force. The structures of socialist ownership in the socialist economic system include: the specific forms of socialist ownership which should be adopted in China today; the percentage of socialist ownership in the entire economy at present, what kinds of relations should be established and so forth. For instance, at present we permit the existence of the following forms of socialist ownership: 1) the economy of socialist state ownership; 2) the economy of "urban collective ownership" whose nature should be analyzed more accurately; 3) the economy of the collective ownership of the laboring masses in the rural areas; and 4) other socialist ownership. Of these forms, the "socialist state-operated economy plays the leading role in the national economy," whereas other forms of the socialist ownership can develop only on condition that they link with and depend on the socialist state-operated economy and accept its leading role.

As we mentioned above, since the concept of the socialist economic system covers a number of aspects and the problems involved in reforming these various aspects should be solved by scientific workers who can apply scientific knowledge which they have mastered, the role of sciences in promoting economic development should not be underestimated.

Of course, to promote the development of the socialist economy, the problems concerning production relations which scientific workers should study are not limited only to the reform of the socialist economic system. We realize that under our country's present conditions, we should permit the existence of certain nonsocialist economic forms. Therefore, we should study the issue which nonsocialist economic forms should be permitted, their position in our country's present socialist economic structures and the restrictions which should be imposed on them with regard to their existence and development. We should also study ways to properly manage these nonsocialist economic forms so that the party and government may formulate correct policy decisions. These are problems concerning the policies of our party and state toward the nonsocialist economy within a certain historical period. If we achieve good results in the study of these problems, our research work will play its proper role in developing the national economy.

Besides this, in order to do economic work properly, we should also study problems occurring in the realm of the superstructure. The problem of the administrative and management organs in charge of economic work, the problem of economic legislation and judicature, the problem of extending socialist democracy to the sphere of economic life and so forth belong to this category. The problem of improving state plans and management work also involves production relations and the superstructure.

We should do our utmost to put our socialist economic construction on solid scientific foundations. Since there are so many important scientific problems to be solved in our country's economic construction work, and since scientific research can play such a great role in economic development, in addition to the fact that we suffered losses in our work in history due to the lack of scientific research and the fact that in the economic work departments, there are still many people who fail to understand the significance of scientific work and work blindly to a great extent because of this, and frequently solve problems according to old rules and conventions, then it is a matter of deep significance for the party to regard the development of scientific undertakings as one of the strategic links in our country's economic construction.

The purpose of defining the strategic significance of sciences in our country's economic development is to develop our country's scientific undertakings more efficiently. We should not rest content with merely understanding the significance of sciences. Actions are more important. Scientific workers should enthusiastically answer the call of the 12th CPC Congress and work hard and struggle actively to implement and accomplish the guiding principles and tasks put forward by it (including, of course, the guiding principles and tasks of developing our country's scientific undertakings). Comrades working in other departments should also do their best to support scientific work in the light of their division of labor. Departments in charge of logistic and service work for scientific workers should also have a correct understanding of their service work in order to do it well. Planning and financial departments should do their utmost to take seriously the work of allotting the necessary funds and making investments in scientific work. Comrades in charge of leadership work in various localities and departments should pay more attention to scientific work and strengthen party leadership over it.

In his report, Comrade Hu Yaobang also points out: "In the past, owing to the influence of 'left' ideas and the small-producer mentality, erroneous views such as the underestimation of the importance of education, science and culture were rife in our party over a fairly long time." He adds that the party has "made great efforts to eliminate these incorrect views. We are determined gradually to step up cultural development so that it will no longer lag behind economic growth." He goes on to say: "We have worked hard to carry out the party's policy concerning intellectuals and to enable the whole party and society to realize that, like workers and peasants, intellectuals are a force we must rely on in building socialism. We are determined to do everything possible to create favorable conditions in which the mass of intellectuals can work securely and enthusiastically in the interests of the people." This guiding ideology brought out by the report is closely connected with the development of our country's scientific undertakings. We should attach importance to it and, as the report stresses, persist in "doing much careful ideological work and effective organizational work."

The above-mentioned points should be put into action in all spheres after defining the fact that scientific work is one of the strategic links in our country's economic construction. With concerted efforts from all quarters, our country's scientific undertakings will develop more effectively and their great role in economic development will be fully demonstrated.

CSO: 4004/5

AN IMPORTANT BASIS FOR REFORMING THE ECONOMIC SYSTEM

Beijing RED FLAG in Chinese No 19, 1 Oct 82 pp 21-26

[Article by You Lin [2589 2651]]

[Text] In his report to the 12th CPC Congress, Comrade Hu Yaobang clearly explained the general purpose of reforming the economic system, briefly and profoundly expounded the leading position of upholding the state-run economy and developing diverse economic forms, and the relations between the state and the enterprises of various economic forms, particularly the state-run enterprises. He also pointed out the correct implementation of the principle of the leading role of the planned economy and the supplementary role of market regulation and other important problems. This has further pointed out the direction for establishing an economic management system that conforms with the conditions of our country and provides us with an important basis for reforming our economic system.

I

Comrade Hu Yaobang pointed out in his "report": "To yield the best results, all our economic work, principles, policies, plans and measures must be based on overall arrangement, on taking into consideration the interests of the state, the collective and the individual and on fully arousing and scientifically organizing the initiative of the central authorities, the localities, departments, enterprises and the laborers." This is also applicable to the reform of the economic system.

Why is it necessary to reform our economic system? In the final analysis, it is because there exist defects that are not conducive to stimulating the initiative of our economy in various fields. After the basic accomplishment of socialist transformation, our party called on us to correctly handle the relations between the state, the production unit and the individual laborer, to correctly deal with the relations between the central authorities and the localities, to appropriately divide the decisionmaking power in all fields and give consideration to the interests of every aspect. But actually we have for a long time neglected the power and interests of the localities, the production units and the individual laborers, thus causing the situation of inflexibility and excessive management from the center. As manifested in the economic forms, a lot of work that was suitable for the collective and individual businesses to run was monopolized by the state; as manifested in planned management, the state attempted to manage all matters whether big or small and did not admit the necessity of regulation by market mechanism for the operation of enterprises and the production of some products, economic levers were seldom applied to guide economic activities for which it was unnecessary to issue mandatory quotas and there was excessive direct planning; as manifested in financial affairs, there was monopoly in the income and expenditure of state-run enterprises and there was no profit retention by enterprises according to how well or badly they ran their business. Moreover, egalitarianism was prevalent in the distribution of income among the laborers. All these things have seriously affected the enterprises' and staff and workers' concern, proceeding from their material interests, for doing a good job of production, operation and management, and even if there were such enthusiasm, it would be difficult to bring it into play because they are bound hand and foot.

Therefore, to reform the economic system we must, first of all, readjust the powers of various fields and particularly extend the powers of the enterprises. Enterprises are the basic units engaging in economic activities. The initiative of enterprises, great or small, greatly affects the speed at which the national economy can be developed. In order to actively exercise their duty according to concrete conditions, the enterprises should have certain power in planning and arrangements, purchasing and selling of goods, the use of funds, disposition of productivity, and so on. Under the prerequisite of accepting planned guidance by the state and administration by industrial and commercial offices, the cooperative enterprises collectively owned by the laboring people should have complete initiative in their own hands. It is also quite necessary for state-run enterprises to have initiative in operation and management. This initiative is of course limited and is within the range of state permission and observation of unified state direction. If it goes beyond this limitation, it would impair or even change the nature of the state enterprises and cause confusion in our socioeconomic life. Even within this limitation, the state should conduct guidance, and check and supervise the enterprises on how to execute their power to prevent blindness due to abuse of their power.

It is very important to handle well the relations between the central authorities and the localities, that is, the vertical and horizontal relations in our country. Ours is a large country with great differences in various provinces, municipalities and autonomous regions. It is unnecessary and impossible for the center to concretely control all their economic activities. Past experience proves that if the central authorities control things too meticulously, they stifle the initiative of the localities. This is one aspect of the situation. On the other hand, we must also be aware that the development of the localities cannot be divorced from the situation as a whole. For instance, many basic installations and production conditions need overall planning by the state and those economic conditions that are connected with the situation as a whole need to be provided by the central authorities. Without the efforts of the central authorities, it would also be impossible for the economy of various localities to develop successfully. Therefore, we must implant the idea of coordinating all the activities of the nation like moves on a chessboard, and under the prerequisite of subordinating part to the whole, fairly combine the initiative of the localities with that of the central authorities.

The readjustment of power in various fields is important for arousing the initiative in various respects. But under socialism, what is still more important is to readjust the relations of material interests in various fields. According to the Marxist viewpoint, fundamentally, all the activities of people are for material interests, that is, they are all prompted by material interests. The problem is, material interests have different class nature and social nature in different societies. In the socialist economy of our country, the public ownership of the means of production combines all production units and laborers together and the interests of the whole of the working people become their fundamental interests. Under this prerequisite, they still have partial and individual interests. The interests of the whole of the working people are not only the common interests of each member as part of the whole, but also the common interests of the laborers as members of a certain production unit and as individuals. This is because the development of some production units, including the production units under the collective ownership system, depends on the development of the entire social economy; and the improvement of the standard of living of the working people and particularly of the workers of the state-run enterprises depends on increasing social production and raising labor productivity. Therefore, we must unswervingly maintain that increasing and promoting the interests of the whole is the main objective and motive force of the state-run enterprises in carrying out economic activities. As for enterprises in the collective ownership system, besides their own interests, they should also show consideration for the interests of the state and, in addition to the interests of their own unit, they should also have other objectives and motive force. We must also be aware that in addition to the impetus of common interest, there are also the interests of the localities, departments, production units and laborers. For instance, providing the state enterprises with necessary material interests, so that there is a definite connection between the achievements of enterprise operation and the collective and individual interests of the enterprise workers, makes the workers work more diligently and the enterprises try by every means to run management and operation well. Excessive emphasis on the interests of the latter respects, or even overemphasis on them at the expense of the interests of the whole, is certainly wrong; neglecting or even denying them is also wrong. Facts have repeatedly proved that neglecting the interests of any one respect will affect the initiative in that respect and hinder the development of the national economy. Our task is to correctly handle the relations of interest in various respects in the light of the concrete conditions prevailing at any one time, so that they can coordinate, cooperate and help one another forward.

In a word, the purpose of reforming our economic system is to fully arouse the initiative of various fields through readjusting their powers and interests so that they can play their role as effectively as possible and promote the building of socialist modernization.

II

In reforming the economic system, we must rationally define the relations between the state and enterprises. The relations between the state and enterprises includes what enterprises should be operated and owned by the state, and how the state should manage state-run enterprises, collective enterprises owned by the laboring masses and the individual economy. In his report, Comrade Hu Yaobang made ample exposition on this problem.

Comrade Hu Yaobang clearly pointed out in his "report" that we must develop diverse economic forms under the prerequisite of upholding the leading position of the state-run economy. So-called diverse economic forms, in addition to the state sector, refer first of all to the cooperative economy collectively owned by the laboring masses. This kind of economic form should be the main form in rural areas not only at present but also for a considerable time to come. A considerable part of handicrafts, industry, building industry, transport, commerce and service trades in cities and towns should also be run by the collective. Next is the individual economy of the laborers. We must encourage the appropriate development of the individual economy of urban and rural laborers as a necessary and useful complement to the public economy, within limits prescribed by the state and under the supervision of industrial and commercial administrations. Why must we do this? In sum, it suits the productive forces of our country at the present stage. The development level of the productive forces of our country at the present stage is low and very unbalanced. On the one hand, we have a large number of enterprises with a high level of socialization in production. The very nature of these enterprises demands ownership and control by the whole society and that they be operated by the state as the representative of society. On the other hand, we also have many enterprises with a rather low level of socialization in production; they are suited to collective operation and some are only suited to individual operation. If the state also owned and operated these enterprises, it would be unfavorable for giving scope to their specialization and the initiative of the working people who operate these enterprises, consequently affecting the development of the entire economy. As Comrade Hu Yaobang said in his "report": "Only through the rational distribution and development of diverse economic forms is it possible to invigorate the urban and rural economy and make life more convenient for the people."

Since the 3d Plenary Session of the 11th CPC Central Committee, cooperatives financed and run by young people and other residents have spread in many urban areas. The number of individual workers in urban areas has gradually increased, by 1981 they had reached 1.13 million people. A number of localities have turned small-scale state-run commercial and service trade enterprises, such as public bathhouses, barbershops, garment shops and retail shops into cooperatives or let workers undertake and operate them on a collective or individual basis. These localities have also turned the "collective" enterprises with unified responsibility for profits and losses into enterprises with sole responsibility for their own profits and losses. We have achieved quite good results in the above undertakings. It seems that from now on, in addition to energetically developing the cooperative economy collectively owned by the laboring masses and appropriately developing the individual economy, the small and fairly small-scale state-run enterprises can also be turned into enterprises with sole responsibility for their own profits and losses in the light of need and possibility.

In China, not only can the socialist economy not abolish the state-run economy, on the contrary, it must uphold the leading position of the state-run economy. The state should own and operate the departments and enterprises such as banks, railways, civil aviation, river and ocean going shipping, posts and telecommunications, steel, nonferrous metals, fuel, electricity, machine building, chemical industry, building materials, textiles, light industry and enterprises in other important departments, wholesale departments, a considerable number of retail shops in the field of commerce, and so on. With these departments and enterprises in hand, the state controls the economic lifelines of the country. The state sector can thus play the leading role in the entire national economy. In his "report," Comrade Hu Yaobang drew a scientific inference: "The consolidation and growth of the state sector are the decisive factors in ensuring that the collective economy of the laboring masses will advance along the socialist road and that the individual economy will serve socialism." The profound implications of this inference merit our careful comprehension. As known to all, in capitalist society, there are cooperatives run by members who are shareholders that draw extra dividends according to the amount of shares they possess. These cooperatives are usually manipulated by a few people who have most of the shares, and the operation in particular cannot but be subject to the control of capitalist production and circulation. Therefore, essentially it is still a sort of "collective capitalist organization." In a socialist country, only when the cooperative economy is combined with the socialist state-run economy, can its nature be fundamentally changed. Only a powerful state-run economy can energetically guide its operation and management in accordance with the principles of socialism so that it develops along the road of socialism. Without this form and without the energetic guidance of the state-run economy, by only relying on the management of the socialist state regime, it would be difficult to restrict the possibility of spontaneous tendencies and getting out of hand departing from the interests of the whole. Therefore, under the conditions of China, there would be no socialist economic system and socialist planned economy with only the collective economy and without the state-run economy. This is true for the collective economy as well as for the individual economy. The individual economy is always attached to the economic form that occupies the dominant position. Only with the existence and development of the public ownership economy that upholds the leading position of the state-run economy and under supervision by the industrial and commercial administrative departments, can the individual economy be a complement to the socialist economy and serve socialism.

In order to ensure the leading position of the state-run economy, we must define the relations between the state-run enterprises. First of all, as for the state-run economy, the state is certainly the owner of the enterprises and controls important activities of the enterprises. On no account should we neglect the achievements of the state-run economy due to the defects of the economic system and neither should we have the idea of there being no hope in modernization without thoroughly abolishing the state-run enterprises. What will happen if we abolish the state-run economy in our country, turn the state-run enterprises into independent economic bodies and allow the enterprises themselves to completely manage the regular economic decisionmaking of the enterprises? It would mean to separate again the "productive force that is not suitable for any other management except management by society" ("Selected Works of Marx and Engels," Vol 3, p 319) spoken of by Engels; not only placing the secondary but also the main part of industry and commerce under the control of the collective ownership by the laboring masses who are vast in number and scattered, so that they are combined in narrow spheres, causes acute contradiction between mass production and partial ownership. Under such circumstances, they will contend with each other for their own partial benefit and the interests of the whole of the laboring masses would be undermined and impaired. It is quite obvious that this certainly cannot be the foundation of our economic management.

We must also not regard the state enterprises as an abacus, taking every action by moving the beads, we must not collect all the profits of the enterprises without letting them retain any. As we have mentioned before, under the unified control of the state, it is quite necessary for the enterprises to have certain flexible power and benefit. Recently, we have achieved quite good results in extending the power of the enterprises and applying the system of economic responsibility. Its main significance is that we have effectively overcome the idea of egalitarianism between the enterprises and between the workers in the enterprises, so that the enterprises and workers are further motivated in running the enterprises well and tapping potentials. It is unquestionable that by applying the economic responsibility system, we need above all to define the economic responsibility that the enterprises have to undertake toward the state and that the workers have to undertake toward the enterprise respectively, and at the same time provide the enterprises with certain economic powers and due economic benefits so as to combine responsibility, power and benefit together.

III

One of the fundamental problems in the reform of the economic system is to correctly implement the principle of the leading role of the planned economy and the supplementary role of market regulation.

As the opposite of the anarchy of capitalist production, the planned economy came into being after the realization of the public ownership system. Under the capitalist system, on the one hand there is organizational division of labor in capitalist enterprises, while on the other the whole social production is subject to control by spontaneous forces. In capitalist society, the laborers forfeit their right to control their own social relations and the distribution of social labor in various departments is completely regulated by the market. The necessary proportion of mass production is only reluctantly maintained through fierce turbulence and crises and with the national economy constantly suffering serious disruption. But under the public ownership system, due to the elimination of the separation of the ownership toward socialized production and the establishment of direct links between production and demand, it is then necessary and possible for the national economy to develop in a planned way. The words "planned economy based on public ownership" mentioned by Comrade Hu Yaobang in his "report" pointed out the interdependent relations between the planned economy and the public ownership system. One of the characteristic economic laws of socialism and communism is that the national economy develops in a planned way. Planned economy came into being on the basis of public ownership and from another important aspect it also manifests the essence of the socialist economy.

The socialist economy must be developed in a planned way. But in a certain period of a country, the range, length and height of planning can only be determined according to the concrete conditions. Comrade Hu Yaobang pointed out in his "report": "Planned production and circulation cover the main body of our national economy. At the same time, the production and circulation of some products are allowed to be regulated through the market without being planned, that is, by letting the law of value spontaneously play a regulatory role, within the limits prescribed by the state's unified plan and in the light of the specific conditions at different periods. This serves as a supplement to planned production and circulation, subordinate and secondary to it but essential and useful nonetheless. The state ensures proportionate and coordinated growth of the national economy through overall balance by economic planning and the supplementary role of market regulation." In sum, we must uphold the principle of the leading role of the planned economy and the supplementary role of market regulation for a long time.

What is the objective basis of this principle? First of all, in the national economy of our country, the economy under the public ownership system occupies the dominant position, while the state-run economy also occupies a leading position. This determines that the principal part of the national economy must be planned production and planned circulation. Otherwise, the economy under the public ownership system would be in a state of decentralization and would not develop normally. Second, in the economy under the public ownership system, there are a considerable number of collective enterprises owned by the laboring masses and state enterprises that can be turned into enterprises with sole responsibility for their own profits and losses. There also exist a small individual economy outside the public ownership system. The production and circulation of part of the products of these enterprises should be carried in a planned way, while the production and circulation of another part of products (mainly various small commodities) should be arranged by the enterprises themselves in accordance with the changes of supply and demands on the market. Certainly, the state should not try to refuse to have anything more to do with the matter, but should strengthen control through policies, decrees and administration by industrial and commercial administrative departments and should help enterprises with the supply of certain important raw and semifinished materials.

There were many defects in our planned work in the past, among them an important point is that planning covered a wide variety of things and no products or enterprises were excluded from plans to be regulated by the market. The result was what should have been strictly controlled was not controlled strictly enough, that is, what should have been incorporated into the plan was not strictly controlled, thus weakening the scientific and authoritative nature of the plans; what should have been flexible was not flexible enough, that is, what should not have been incorporated into the plan was controlled, thus causing the variety of commodities to be monotonous, lacking in quality and causing inconvenience to the people's life. This shows that to ensure the coordinated and proportionate development of the national economy, we must mainly rely on the overall balance of the planned economy and at the same time make use of the supplementary role of market regulation.

Allowing the production and circulation of part of the products not to be planned but regulated by the market, will this affect the nature of the planned economy? Certainly not. That is because, first, it is just supplementary to the planned economy and is subordinate to the planned economy; and second, the range of market regulation is determined by unified planning. Therefore, our economy, in general, is a unified planned economy.

In order to make the development of the economy centralized and unified as well as flexible and diversified, besides the part that needs not be planned, the part that needs planned production and circulation should also take different forms in different circumstances.

One kind is, plans of a mandatory nature must be enforced in regard to the production and distribution of means of production and means of subsistence in the state sector which are vital to the national economy and the people's livelihood, and especially in key enterprises vital to the whole economy. The "report" indicated: "This is a major manifestation of China's socialist system of ownership by the whole people in the organization and management of production." This important inference helps us to further clarify any misunderstanding. The realization of the power of the state as the owner must undoubtedly be manifested in the distribution of income, but what is more important is that it is manifested in directing the production and operation of enterprises that must be directed by the state. In our socialist economy, if the state has only the right of ownership of some state-run enterprises, but has no power to control the means of production and labor force, that is, no power to direct the production and operation of the enterprises, then these enterprises are no longer state-run enterprises. Even for the collective economy, the state should issue mandatory quotas in accordance with needs; for instance, for the purchase of fixed quotas of grain and other important agricultural and sideline products by the state. This is by no means to say that mandatory planning cannot be appropriately reduced, it is entirely necessary for the state-run enterprises to have more flexibility. But the production and distribution of important products and the economic activities of the important enterprises must be carried out according to the state's mandatory plans. Only in this way can we stabilize the economic situation, ensure the proportionate development of the national economy, and effectively bring into play the role of guiding plans, and the part regulated by the market can be a useful complement to the planned economy. Therefore, mandatory plans are necessary not only under specific conditions, but also necessary and indispensable under general conditions. It is in fact the crux of the principle of the leading role of the planned economy and the supplementary role of market regulation and the basic indication of a planned economy.

Another kind is, enforce guiding plans for some products and enterprises that are less important compared to the products and enterprises that practice mandatory planning, by applying economic levers to ensure their realization. The enterprises have the right to change the plans and quotas issued by the state, but must report them to the responsible departments for the record. When necessary, the state can also exercise administrative intervention.

Aimed at the defects of the past of not attaching importance to the role of the market and not being good at applying the law of value and economic levers, the "report" pointed out that, whether in mandatory planning or in guidance planning, we must strive to make them conform to objective reality, constantly study changes in market supply and demand, and consciously make use of the law of value. For instance, when plans demand that production of certain products in short supply be increased and that production of some products in excessive supply be reduced, list the price of the former products a bit higher and the latter a bit lower, then that will promote the accomplishment of the plans. Certainly, we cannot exaggerate this role and think that the part under the planned economy should also be regulated by the market. By regulating, we mean determining what kind of products are produced, their quantity and how to control them. The market regulation mentioned in the "report" is controlled by the fluctuations of prices caused by the changes of market supply and demand. It is quite obvious that the enterprises that enforce mandatory planning are not the same. The enterprises that enforce guidance planning are directly affected by changes of price, taxation and credits, but these economic levers are applied by the state in a planned way. Therefore, they are controlled by planning and not regulated by the market.

The principle of reforming the economic system of our country in the future is to adopt the forms of mandatory planning, guidance planning and market regulation in accordance with the different circumstances of products and enterprises. Enforcing this principle is a major reform compared with the present planned management system. At the same time, we must correspondingly reform other aspects of the management system (for instance, gradually reform the pricing system and price control under the prerequisite of basically keeping prices stable). The tasks are great and certainly cannot be accomplished in a short time. The "report" pointed out that we must work out at an early date the overall plan for reform and the measures for its implementation in the Sixth Five-Year Plan and gradually develop the reform of the economic management system in the Seventh Five-Year Plan. This arrangement is positive and safe as well. Provided that we follow the direction pointed out by the party Central Committee, comprehensively analyze the present economic system of our country, conscientiously study the experiences of other countries, first sum up our own experiences and on this basis work out feasible overall plans for reform and the measures for its implementation, and advance step by step forward, we can establish an economic management system that best conforms with the condition of our country in the predetermined period and ensure the normal development of the national economy and the triumphant realization of the four modernizations.

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EXCERPTS FROM SPEECHES MADE AT A FORUM ON STUDYING 12TH CPC CONGRESS DOCUMENTS

Beijing RED FLAG in Chinese No 19, 1 Oct 82 pp 27-34

> [Text] Editorial note: On 17-18 September, this periodical invited some comrades from economic circles to a forum on studying the documents of the 12th party congress. Excerpts from speeches at the forum will be published in succession starting from this issue.

Xue Muqiao [5641 2550 2890]: "Build Socialism With Chinese Characteristics"

In his report to the 12th party congress, Comrade Hu Yaobang expounded in great detail the new guiding ideology of socialist modernization which has gradually developed from the 3d Plenary Session of the 11th CPC Central Committee. In his opening speech at the congress, Comrade Deng Xiaoping made a high level summary of this guiding ideology by pointing out: "To integrate the universal truth of Marxism with the concrete realities of China, blaze a path of our own and build socialism with Chinese characteristics--this is the basic conclusion we have reached in summing up long, historical experience."

Ours was a backward semicolonial and semifeudal country before liberation. After more than three decades of construction since liberation, great changes have taken place in the outlook of our country. However, viewed from the level of its economic development, China is still a developing country with the peasants accounting for the great majority of the people. In order to build our country, on such a base, into a modern socialist state with a high degree of civilization and democracy, it is of course necessary to proceed from reality and take our own path. As I understand it, socialism with Chinese characteristics should chiefly be provided with the following features:

1. With respect to ownership, we are still unable to establish what Marx called ownership by the whole society. Neither should we indiscriminately copy the pattern of what Stalin called coexistence between ownership by the whole people and collective ownership. Due to the relatively low and uneven development of China's productive forces, the forms of ownership should be

more complex. Ownership by the whole people and collective ownership should act as a base and there should be long-term coexistence of diversified economic forms. Even the economy under the ownership of all the people and under collective ownership should also practice, in light of different specific conditions, various methods of management and administration. In agricultural production, particularly the agricultural production that relies chiefly on manual labor, it is necessary to establish various forms of the production responsibility system by bringing into play the initiative of unified management by the collective and independent management by the laborer. It is necessary to have both unified planning by the collectives and division of labor with individual responsibility between the individual, household and group. The state economy should not assume overall responsibility for profits or losses. It should in the light of different conditions, practice different forms of the economic responsibility system to different degrees, including the responsibility system for profits or losses. In cities, it is also necessary to develop the economy under collective ownership (including small cooperatives characterized by fund raising, joint labor and distribution chiefly according to labor) and a small amount of individual economy. Will the development of nonsocialist economic forms (such as individual economy) in cities weaken the leading position of the socialist state economy? No. In the early 1950's, privately owned industrial and commercial enterprises were in extensive operation, but the state economy was still in a leading position. Now the state economy is very powerful. The existence of a small number of nonsocialist economic forms will not affect the leading position of the state economy but is a necessary and useful supplement to the state economy.

2. It is necessary to handle the relationship between agriculture, light and heavy industry and the question of speed according to China's characteristics. The 156 projects, chiefly heavy industry, carried out in the period of the First Five-Year Plan attained very good construction results. However, the development of agriculture and light industry was rather slow, with the result that they failed to fully meet the needs of urban industrial development and the people's livelihood. Therefore, Comrade Mao Zedong pointed out in 1956 that, while giving priority to the development of heavy industry, it is necessary to attach special importance to the development of agriculture and light industry and to develop heavy industry with the funds accumulated from agriculture and light industry. It was a pity that, starting in 1958, a 3-year "Great Leap Forward" was launched, which resulted in a serious disproportion between agriculture, light and heavy industry. It was not until 1965 that the disproportion was basically reversed by means of readjustment.

The 10 years of national disorder during the "Cultural Revolution" threw the entire national economy into disorder. In the 2 years after the smashing of the "gang of four," continued implementation of the "left" policy once again revealed the disproportion between agriculture and light and heavy industry, which had developed over the years. After its third plenary session, the CPC Central Committee put forward the principle of readjusting, restructuring, reorganization and upgrading, gradually reduced investment in capital construction, readjusted the ratio between agriculture and light and heavy industry and greatly improved the livelihood of the people so that a prosperous new situation emerged in the national economy. However, the achievements of readjustment have not been consolidated and the reform of the economic management system has just started. We have not been able to effect a fundamental turn for the better in the financial and economic situation. In his report to the 12th party congress, Comrade Hu Yaobang said that during the Sixth Five-Year Plan period, it is necessary to continuously implement the policy of readjusting, restructuring, reorganization and upgrading, practice strict economy, oppose waste and focus all economic work on the attainment of better economic results. It is very important to do so.

It was also pointed out in the report that, in the two decades between 1981 and the end of this century, we should strive, while steadily working for more and better economic results, to quadruple the gross annual value of industrial and agricultural production. In order to realize this objective, we must take the following two steps in our strategic planning: In the first decade, aim mainly at laying a solid foundation, accumulating strength and creating the necessary conditions; and in the second, usher in a new period of vigorous economic development. This strategic plan has been formulated in the light of China's specific current conditions. In order to bring into full play the economic results of production, we should no longer blindly seek false production growth rate. In the period of the Sixth Five-Year Plan, we would rather have a temporary slower production growth rate in order to focus our chief attention on the attainment of better economic results. Provided that we can achieve this point, we will certainly be able to usher in the new period of vigorous economic growth in the 1990's.

3. It is necessary to continuously carry out reform of the economic management system. Since the First Five-Year Plan, we have gradually effected planned management of the national economy on the basis of public ownership of the means of production. This conforms to the requirements of socialist economy. The chief shortcomings in our previous work lay in the fact that in certain aspects we set too many or too rigid restrictions through planning and thus hampered the initiative of the localities and enterprises. In his report, Comrade Hu Yaobang pointed out: Planning should take different forms in different circumstances. Plans of a mandatory nature, guidance plans and regulation within certain limits by market mechanism must be enforced according to the importance of products and enterprises in the national economy and the people's livelihood. In both mandatory planning and guidance planning, we must strive to conform to objective reality, constantly study changes in market supply and demand, conscientiously make use of the law of value and such economic levers as pricing, taxation and credits to guide the enterprises in fulfilling state plans, and give them varying degrees of power to make decisions as they see fit. Only in this way can state plans be supplemented and improved as required and in good time in the course of their implementation. We must correctly define the respective scope and limits of mandatory plans, guidance plans and regulation by market mechanism and establish an economic administrative system suited to China's conditions so as to ensure the healthy growth of the national economy.

Over the past 3 years we have gradually expanded the powers of various localities and enterprises in making decisions and have attained good results in bringing into play the initiative and creativity of localities and enterprises. The problem is that, after the expansion of the power of localities and enterprises in making decisions, the restricting role of mandatory planning has been weakened to a certain degree, bringing about various phenomena such as blind production and duplicate construction. Therefore, it is necessary for us to formulate a complete set of economic laws and regulations in order to prevent the various localities and enterprises from abusing their power of decisionmaking. It is particularly necessary to be good at applying the economic levers in order to ensure the satisfactory accomplishment of mandatory planning and guidance planning.

Reform of the planning system is not only confined to the planning system itself but also involves the systems of credits, labor, wages as well as financial management. These reforms can only be achieved gradually.

Yang Bo [2799 3134]: "State and Tasks of Light Industry in the New Situation"

The strategic objective, emphases and measures and the series of principles and policies for China's economic construction listed in the report to the 12th party congress are the outcome of integrating Marxism-Leninism with China's reality. They are all correct. Provided that we unswervingly and realistically work in the spirit of the 12th party congress and conscientiously do our jobs well, we will certainly be able to realize our strategic objective. Here, I would like to talk about industrial development.

There is a view which holds that since no mention was made of the three strategic emphases of economic construction issued by the 12th party congress, the future development of light industry may perhaps be slowed down or relaxed. In my opinion this view is incorrect. As a matter of fact, grasping the three emphases of agriculture, energy and transport and education and science is conducive to the more speedy development of light industry and other production and construction undertakings and the steady improvement of people's living standards. 1) For a considerably long period in the past, China's light industry has primarily relied on agriculture for its raw materials. The reason for light industrial output value to register an average annual increase of 10 percent over the past 3 years is a direct outcome of the speed development of agriculture, particularly the diversified undertakings. Only by strengthening agriculture in the future will it be possible to ensure the steady growth of light industry. 2) Although the ratio of energy consumption in light industrial production is smaller than in heavy industry, its absolute amount will become more and more. Only when energy construction has been developed will it be possible for light industry to develop more speedily. At the same time, the development of communications and transportation also constitutes a basic condition in ensuring the allocation of raw materials for light industrial production and the sales of light industrial products. 3) The development of educational and scientific undertakings is a fundamental guarantee for improving the technological and management level of light industrial production. At present, the scientific and technical strength of light industrial departments is weaker than that of other departments, with the scientific and technical personnel accounting for only 1.06 percent of all staff members and workers. The technical force of No 2 light industry is even weaker. Without competent technical and management personnel armed with modern scientific knowledge and without advanced technological equipment, it is difficult to raise the level of light industrial development. Therefore, the fact that the CPC Central Committee has designated agriculture, energy and transport and education and science as the strategic emphases has not weakened or overlooked the development of light industry but has created better conditions for the development of light industry. Just as Comrade Hu Yaobang, in his report to the 12th party congress, pointed out: "Effective solution of these problems on the basis of an overall balance in the national economy will lead to a fairly swift rise in the production of consumer goods, stimulate the development of industry as a whole and of production and construction in other fields and ensure a betterment of living standards."

Since the 3d Plenary Session of the 11th CPC Central Committee, following the speedy development in consumer goods production, great changes have taken place in China's market supply conditions. The phenomenon of "buying whatever goods are available and joining a queue when there is one" that was in existence for many years in the past has basically disappeared. The masses of people have changed their practice from holding money in readiness for panic purchase into saving money for the right moment to purchase or holding money in readiness for a purchase of their choice. However, this certainly does not mean that the development of China's light industry is good enough. As a matter of fact, there is still a very wide gap between the production of consumer goods and the needs of the masses of people and, in particular, we are still far from being able to meet the needs of the 800 million peasants in the vast rural markets. Now, when people begin to have some choice concerning the quality, designs and colors of light industrial products, we have discovered, in our light industrial production, the problem of many products which do not conform to the needs of the people. For example, some products are unmarketable and have to be kept in stock for a long time. This is primarily because their quality is poor and their designs and colors are not readily marketable. What demands should we set on our work in this new situation? Generally speaking, we can summarize them in two sentences, that is, "change the look and improve the quality." By changing the look we mean that it is necessary for us to: 1) change the backwardness manifested in poor quality and few designs and colors in industrial products; and 2) change the mental outlook of the staff and workers to enable them to keep abreast of the development of the objective situation. Every person, from the leading cadres to every staff member or worker, should enhance revolutionary vigor and jointly fight for the realization of the grand objective set forth by the 12th party congress. By improving quality we mean that it is necessary to vigorously improve our technological and management level and to attach particular importance to the application and popularization of new technology. In brief, we should focus all our work on the attainment of better economic results and cultivate the idea of wholeheartedly serving the broad masses of consumers. It is necessary to take into account the needs of the 200 million urban inhabitants but it is all the more necessary to focus our work on meeting the needs of the 800 million peasants. Not only is it necessary to pay attention to the economic results in relation to the state and supply the state with more accumulation, it is also necessary to pay attention to the beneficial results of products when used by customers and to think about the interests of customers. It is necessary to pay good attention to current production and have long-term planning. Great efforts should be made to produce more and better light industrial products which are cheap and readily marketable and to step up sales service in order to satisfy as much as possible the broad masses of consumers. This also constitutes a requirement of the basic socialist economic law. Moreover, it should be pointed out that our light industrial departments bear the heavy responsibility of building socialist material and spiritual civilization. At present, in the production of some consumer goods, there is a phenomenon of blindly imitating the so-called new patterns from foreign countries or pandering to the vulgar interests of certain people. This should merit our attention. The manufacture of material products should help but not obstruct the building of socialist spiritual civilization.

Li Chengrui [2621 2052 3843]: "Quadrupling the Gross Annual Value of Industrial and Agricultural Production Should Be Based on Improving the Economic Results"

The grand objective expounded in the report to the 12th party congress consists of unity between quality and quantity and unity between results and speed. Quadrupling the gross annual value of industrial and agricultural production should be based on improving the economic results. Both are closely related with, and are inseparable from, each other. The key to achieving a fundamental turn for the better in the financial and economic situation in the next 5 years lies in improving the economic results and maintaining suitable and realistic speed in order to create more net income and, on this basis, strike a close balance between revenue and expenditure and in credits. Exaggerated speed and overstock of products will bring about a phenomenon of sham income and real expenditure in finance and sham deposits are real loans in the bank, making it impossible to strike a real balance.

Compared with the 10 years of internal disorder, our economic results have markedly increased over the past few years. From 1979-1981, the gross annual value of agricultural production increased by 26.1 billion yuan, about 60 percent of which was due to improvements in labor productivity. The proportion of agricultural production cost has dropped from 34.9 percent in 1978 to 31.4 percent in 1981. A number of advanced industrial enterprises have also achieved very good successes in improving economic results. Generally speaking, however, the present economic results are still very poor. In industrial enterprises with independent accounting under the ownership of the whole people, the revenue and profit derived from 100 yuan of capital (net value of fixed asset plus flowing capital quota) was 24.8 yuan in 1979 and 1980 and 23.8 yuan in 1981, a quarter less than the 31.9

yuan in the period of the First Five-Year Plan. In 1981, key national enterprises failed to attain the best historical level in 19 of the 46 quality indexes of major products. In 1981, key national enterprises failed to attain the best historical level in 54 of the 70 indexes for material consumption. Naturally, there are various causes for these problems and there are also incomparable factors in the past and present conditions. It can be affirmed, however, that there is a great potential to improve the economic results. Only those enterprises with good results have great vitality. The national economy can have a steady and stable speed only on the basis of good results.

In his opening speech at the 12th party congress, Comrade Deng Xiaoping said: "In carrying out our modernization program, we must proceed from the realities of China." How should we understand China's actual situation? We have various methods of achieving this aim, statistics being a very important one. If we do not have relatively complete statistics, it is impossible to understand the actual situation in a comprehensive way and it is also difficult to fulfill the fundamental requirement of building socialism with Chinese characteristics. Therefore, further strengthening statistics work is a major issue that has a strong bearing on whether or not we are able to proceed from the realities of China and build socialism with Chinese characteristics. Under the socialist system, it is entirely possible for our statistics to be more realistic and reliable than the capitalist ones. Under the influence of the "leftist" line, there were some fabrications in statistics in the past. However, this is not inherent in a socialist society. On the contrary, it is incompatible with the essence of a socialist system. Since the 3d Plenary Session of the 11th CPC Central Committee, this phenomenon has been constantly rectified. At present, most of our statistics are authentic and reliable. In the future, following a fundamental turn for the better in party work style and social mood, statistics work will be constantly improved and the superiority of statistics work under the socialist system will be further demonstrated.

Fang Weizhong [2075 4850 0022]: "Grand Objective, Reliable Measures"

There is still about 20 years between now and the end of the century. How shall we determine the objective of China's socialist modernization program and what steps shall we take in the next 20 years? This is a major issue which the whole party and people of the entire country are very much concerned with. It will not do to proceed without a plan. It will be difficult to realize an objective if we fix an excessively high objective. However, we shall be in a state of inertia if we fix an excessively low objective. Neither can arouse the initiative of the people. If we rush headlong into mass action without definite steps, it will also be difficult to realize an objective even if it has been fixed in an appropriate manner. An important achievement of the 12th party congress is that it has correctly solved this problem by determining a grand objective and providing reliable measures and thus won the enthusiastic support of the whole party and people of the entire country.

The 12th party congress called on us, while steadily working for more and better economic results, to quadruple the gross annual value of industrial and agricultural production by the end of this century. It is both necessary and possible to realize this objective and so it is an appropriate objective.

There are quite obvious reasons for the necessity to quadruple the gross annual value of industrial and agricultural production. Only by realizing this objective will it be possible for China to be placed in the front ranks of the countries of the world in terms of gross national income and output of major industrial and agricultural products. This will represent an important advance in the modernization of its entire national economy and the urban and rural population will be comparatively well-off both materially and culturally. This objective has reflected the strong aspirations of the people of the whole country. If we determine a lower speed, it will be impossible to meet the steadily growing needs of the people in their livelihood, nor will it be possible to meet the needs for strengthening the national economic and national strength.

It is possible to realize the objective of quadrupling the gross annual value of industrial and agricultural production for it is not a high and unattainable objective. Generally speaking, by fulfilling the following three demands it will be possible to attain the objective of quadrupling the gross annual value of industrial and agricultural production.

1. It is necessary to double, in 20 years, the output of industrial energy and primary raw materials (an average annual increase of 3.5 percent).

2. It is necessary to improve technology and product quality, lower energy and raw material consumption and improve the complexity and precision of processing so that we can create 100 percent more value or double the economic results with the same amount of energy and raw material.

3. It is necessary to develop some newly emerging industrial departments such as electronics, nuclear energy, data, petrochemical industry and new type materials. They can increase output and improve the economic results.

In other words, the realization of the objective of quadrupling the gross annual value of industrial and agricultural production in the next 20 years depends partly on the growth of production capability and partly on the progress of technology. The growth of production capability should also depend on the application of new technology. We should not rely entirely on old technology. The technological level of China's existing industry is roughly equal to the level of the economically developed countries during the late 1950's and early 1960's. It is possible for us to attain, by the end of this century, the level of the economically developed countries of the early 1980's, namely, to attain the level they have attained in the past 20 years. If we do our work well, it is also possible to surpass it. This is not only because we can absorb the existing technology but also because the existing technology will also develop in the next 20 years and we can make use of it. We should actively introduce new technology into our country, strive to tackle key problems in new technology and, after we succeed in doing so, effectively popularize and apply it. We can thus greatly change the outlook of our production and greatly speed up the growth rate.

Therefore, quadrupling the gross annual value of industrial and agricultural production is by no means a simple concept of output value but the unity between speed and results and the unity between production and construction on the one hand and scientific and technological achievements on the other hand.

In order to realize the strategic objective of quadrupling the gross annual value of industrial and agricultural production in the next two decades, the CPC Central Committee has decided to take the following two steps: In the first decade, aim mainly at laying a solid foundation, accumulating strength and creating the necessary conditions; and in the second, usher in a new period of vigorous economic development. This is an extremely important policy decision.

It is necessary to take two steps because the problems accumulated over a long period of time in the past have not been completely solved. They are chiefly manifested in the disproportion of the national economy and the irrational industrial and organizational structures. Reforms of the economic system have just started, there has not been a fundamental turn for the better in our financial and economic situation and there is still a lot of work to be done in the way of readjustment, reorganization and reform. At the same time, we should also get prepared in our material conditions such as energy and communications, in tackling key problems in science and technology and in training competent persons. That is to say, we are still not provided with the necessary conditions for a big development in the first decade. If we do not take two steps, people will request doing at the present moment a lot of things which we are not provided with the necessary conditions to do now. They will request the expansion of the scale of present construction. This will aggravate our present financial and economic difficulties and the shortage of energy and communications facilities. The result is that we shall not be able to ensure a steady development of the economy but will probably bring about new disproportions in the national economy and delay the approach of a new period of vigorous economic development. Conversely, by dividing the attainment of our objective in two stages and two steps, we shall be able to concentrate our chief efforts in the first decade on readjusting the various aspects of economic structures, restructuring, reorganizing and combining the existing enterprises and gradually conducting reforms of the economic management system. At the same time, we shall also be able to effect in a planned way technological transformation of the existing enterprises, strengthen the construction of key projects such as energy and communications and step up the scientific and technological study and the cultivation of competent persons. We shall thus lay a relatively solid foundation for economic growth in the second decade. Then, a new period of vigorous economic development in the 1990's will be a logical event. By doing so, we shall neither be impatient for success nor mark time but do solid work.

We shall follow in proper sequence and make gradual progress. This is in fact a fast but not a slow speed. In making such arrangements, the CPC Central Committee has integrated a high degree of revolutionary spirit with a strict scientific approach and has reflected the fundamental principle of proceeding from realities in everything. Therefore, it provides the people with both strength and confidence. Provided that we act unswervingly according to the arrangements of the 12th party congress, we shall be able to avoid setbacks in our economic development and steadily arrive at our destination.

Tao Dayong [7118 1129 6978]: "Make Sure To Regard Education and Science as Strategic Emphases"

It was pointed out in the report to the 12th party congress that in the next two decades, it is necessary to pay close attention to the strategic emphases of agriculture, energy and transport and of education and science. This is a correct policy decision made in line with our national conditions, strategic objective and various practical proportions. It is an objective requirement of the law of socialist economic development.

Science and technology are a key to, and education is a basis for, realizing the four modernizations. The development of the other emphases, namely, agriculture and energy and transport, is also inseparable from science and technology. Constant inventions in science and technology have brought about a profound revolution in production, transforming science into direct productive forces. The fact that the CPC Central Committee has made, on this occasion, science and education strategic emphases has reflected the attention the party attaches to, and the concern the party shows for, intellectuals. It has also presaged an upsurge in scientific and cultural undertakings. Having worked for a long time in an institute of higher learning, I profoundly realize that the exploitation of "intellectual resources" in our country still lags far behind the actual needs in economic construction. Since liberation, the institutes of higher learning throughout the country have trained a large number of competent personnel in various specific fields. However, in order to attain the strategic objective of quadrupling the gross annual value of industrial and agricultural products, this contingent seems to be too small, or else is not commensurate with our task. Moreover, we have not been able, so far, to bring into full play the people's talents. Since the 3d Plenary Session of the 11th CPC Central Committee, we have achieved a great historical transformation by summing up the historical experience, both positive and negative, and bringing order out of chaos. However, in the fields of science and education, there is still a lot of work to be done and it is necessary for us to create a new situation. After the smashing of the "gang of four," through the solicitude of the party, marked changes have taken place in the mental outlook of intellectuals. They are imbued with the vigor of devoting themselves to the four modernizations. Generally speaking, in order to bring into better play the initiative of the intellectuals, it is still necessary to implement the policy toward the intellectuals. The "resolution" of the 3d Plenary Session of the 11th CPC Central Committee pointed out that it is necessary to "unequivocally affirm that, together with the workers and peasants, the intellectuals are a force to rely on in the cause of socialism." The numerous intellectuals are filled with exultation at this. If, in the future, this content can be incorporated into the new constitution, it will further stimulate their creativity and their sense of being masters of the country, which will be transformed into a powerful material force for the four modernizations drive.

Looking at the actual situation in the educational, cultural, scientific and technological fields, a pressing matter at the moment is to improve the living and working conditions of middle-aged intellectuals, and in particular to raise their pay. The middle-aged intellectuals trained after liberation not only constitute the backbone force on the current educational, cultural, scientific and technological fronts, they also shoulder the heavy responsibility of inheriting the past and ushering in the future. Most of them have a heavy workload and household chores and their pay tends to be low. Undernourished, quite a few of them become old before their time. In recent years, some have even died prematurely. This abnormal phenomenon should draw the close attention of the departments concerned. Meanwhile, as for the new students enrolled at colleges and universities in recent years, their quality (particularly their Chinese language standard) is unsatisfactory. This has something to do with the standard of teaching in middle and primary schools. In order to change this state of affairs, in addition to improving teaching materials and methods, opening all avenues for study, improving the examination system and strengthening leadership, it is all the more necessary to definitely improve the conditions for running a school and reorganize the ranks of teachers in order to prevent the outflow of competent persons. "Indigo blue is extracted from the indigo plant but is bluer than the plant it comes from." At present, although the pay of primary school teachers has been raised to some extent, their well-being and political treatment are relatively poor. Ordinary university graduates are not content to become middle school teachers, nor are middle school graduates willing to work as primary school teachers. The teachers in schools run by the local people are still required to farm the lot of land allocated to them. It is, therefore, not an easy thing to raise the scientific and cultural level of the whole nation. "Fish are extremely happy in deep waters and birds know how to return to the deep forests." In my opinion, if we want to fundamentally alter this state of affairs, it is necessary to greatly and promptly increase "intellectual investment" and raise the proportion of educational spending in the annual budget of the state. Only in this way can we "vigorously universalize primary education, strengthen secondary vocational education and higher education and develop educational projects of all types and at all levels in both urban and rural areas, including training classes for cadres, workers, staff members and peasants, and literacy classes," genuinely raise education and science to the status of strategic areas and train a large number of qualified personnel in specific fields in our efforts to create a new situation in the socialist modernization program. "It takes 10 years to grow trees, but 100 to rear people." Only by grasping every second will we be able to adapt ourselves to the urgent requirements of the new period.

Xu Dixin [6079 3321 2450]: "Strive To Realize the Great Strategic Objective"

The need to achieve the grand strategic objective set forth by the 12th party congress is clear to all. We have the objective conditions to realize this aim, that is, the superiority of the socialist system; after more than three decades of hard work, our national economy, and particularly the state economy under the ownership of the whole people, already possesses a certain material and technological basis; the strategic emphases and measures for the realization of this strategic objective have been arranged in a rational and appropriate manner; the realization of socialist modernization and the continuous improvement of the people's livelihood based on the development of the national economy has become the unanimous aspiration of the nation; the political situation characterized by unity and stability will continue to play a role beneficial to economic construction.

However, it is certainly not an easy job to quadruple the gross annual value of industrial and agricultural production in two decades. We should oppose not only fear of difficulties but also casual and blind optimism. A clear and sober understanding of the existing difficulties is beneficial and essential to the realization of this strategic objective.

What are the difficulties facing us today? Agricultural labor productivity is relatively low and our capacity to resist natural disasters is still very small; production technology, management and administration in a large number of enterprises are quite backward and due importance has not been extensively attached to economic results; the study of applied and basic science has not been adapted to the needs of the development of the national economy; we have not succeeded in effecting a fundamental turn for the better in the financial and economic situation; and population growth has not been brought under complete control on a national scale. Besides these, there are also other difficulties. Only by overcoming these difficulties will it be possible to forge ahead healthily toward the great strategic objective.

In order to promote an overall upsurge in the socialist economy, Comrade Hu Yaobang, in his report, has set forth correct principles on various issues, such as amassing funds on key projects and continuously improving the people's livelihood, adhering to the dominant position of the state economy and developing diversified economic forms, correctly implementing the principle of relying mainly on the planned economy and supplementing it with regulation by market mechanism, adhering to self-reliance and expanding economic and technological exchange with foreign countries. Implementation of these principles is essential to the realization of our strategic objective.

The integration of the concentration of funds on key projects with the continuous improvement of the people's livelihood is a specific manifestation of the superiority of the socialist system. In order to effectively amass funds for key projects, in addition to readjusting, on the basis of "taking the whole country into account," the ratio of distribution of central and local revenue and the ratio of profit retention by enterprises, it is also necessary to attain a fundamental turn for the better in the financial and economic situation in the next few years. This makes it necessary, on the basis of improving economic results, to gradually increase state revenue, reduce financial deficits and continue to maintain a basic stability of price.

China now has more than 1 billion people. The total figure of the newly increased population is more than 10 million a year. This is a considerable pressure. Excessive growth of population has an adverse effect on per capita income. It also poses serious problems regarding the supply of grain and housing, and meeting the need for education and employment. It may even affect social stability. Therefore, Comrade Hu Yaobang pointed out: "Family planning is a basic policy of our state."

Correct implementation of the principle of relying mainly on the planned economy and supplementing it with regulation by market mechanism constitutes a fundamental issue in the reform of the economic system. It plays an extremely important role in promoting the all-round development of the socialist economy and in realizing our strategic objective. China's planned economy is based on public ownership of the means of production. With respect to production and distribution of the means of production and the means of subsistence in the state economy, which have a strong bearing on the national economy and the people's livelihood, and particularly the key enterprises that have a strong bearing on the economic situation as a whole, it is necessary to practice mandatory planning. Mandatory planning is an important manifestation of China's socialist ownership by the whole people in organizing and managing production. We should not merely regard mandatory planning as an administrative means. Like guidance planning, it is not the outcome of unrealistic theories. It has been created by proceeding from realities and by conscientiously applying the law of value in accordance with changes in market supplies and demands, and proportional relationships between various production departments. Compared with guidance planning, it plays a dominant role in the planned economy. Some comrades have overemphasized the flexibility of guidance planning and underestimated the positive role of mandatory planning. This matter merits our attention.

With respect to various kinds of small commodities, they are low in value and diversified in color and design, and should generally be supplied on time and in certain areas. It is unnecessary and impossible for the state to subject them to planning. The state should let enterprises adapt their own production to changes in market supplies and demands. Some comrades are afraid that the existence of regulation by market mechanism and the individual economy will adversely affect the planned economy. In my opinion, so long as we do a good job of the planned economy and promptly strengthen industrial and commercial administration and management through policies, laws and regulations, it is impossible for them to shake the planned economy.

Did we not do a remarkable job in our planned economic construction in the period of the First Five-Year Plan despite the existence of the small commodity economy and the capitalist economy? Did we not overfulfill the original plan?

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IMBUE THE WORKING CLASS WITH COMMUNIST IDEAS AGAIN

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[Article by Yu Yannan [2456 3601 0589]]

[Text] The basic premise and foundation for the strengthening of the development of the working class' ideology is a deep understanding and examination of the present ideological reality of the workers. In China today, the ideology of the working class is in general very good. There is a large number of people with an advanced ideology and thinking and this large section of the population is emerging from the ranks of the workers heroically struggling to work for the socialist modernization program. They are the proof of the existence of such advanced thinking. Nevertheless, there do still exist several problems which demand prompt resolution.

A vast amount of investigative material illustrates very clearly that within the working class there exists a certain proportion of people with a relatively low level of ideology and there are even those who do not realize that the realization of communism is their highest ideal. Within one factory which launched discussions on outlooks on life, there were some people from one workshop who even said that "man's nature is self-centered." The ensuing discussions even produced a small number of people who agreed with this opinion. That is to say, they did not feel that such an opinion is wrong and that such an attitude had long ago been criticized by Marxism as an errant bourgeois concept. Misinterpretation of "self-centeredness" is a social phenomenon which only occurs with the appearance of private ownership in a society and is characteristic of the exploiting classes and the petty bourgeoisie and is in no way inherent in the essential character of human beings. Workers from another factory, in pursuit of so-called "material benefits," felt that "money is the only really dependable thing and that everything else is empty." To put money on a higher plane than everything else, to consider it even more important than political honor or credit, even more valuable than such things, results in occurrences such as the following: Some workers who contravene labor discipline prefer to write self-criticisms than suffer pay deductions. This in fact means that one considers one's own honor and dignity to be something rated in terms of, and exchanged for, money.

Of course, in terms of the work force of the entire country, the above phenomena are confined to only a very small percentage of workers and by no means represents the general ideology of China's working class. Nevertheless, the appearance of such attitudes requires our most serious attention and vigilance. For it illustrates the serious extent of the encroachment of bourgeois and nonproletarian thinking into the ranks of the working class. Under the influence of such thinking, some workers' ideological, political and other qualities have dropped significantly, leaving them with a distinct lack of ideology and a lack of political enthusiasm. One might even say that some people have forgotten the great historical mission borne on the shoulders of the working classes, and even consciously or unconsciously use the morals and values of the bourgeoisie to govern their own thoughts and actions and evaluate and handle their relationships with other people within the socialist conditions of our society. Furthermore, there are those who have been witness to the fact that among those workers who have been severely corrupted by bourgeois thinking, there has also been moral degeneration leading to the occurrence of economic and various other crimes, creating great unrest within the socialist cause. Such infiltration and corruption by bourgeois and other nonproletarian ways of thinking on the minds of the workers class is one of the disastrous results of the 10 years of internal disorder in China. The reactionary moves and actions of the Lin Biao and Jiang Qing counterrevolutionary cliques totally destroyed the standards between positive and negative, good and evil and beauty and ugliness as well as ruining the ideology and thinking of the people. Their intense propagation of extreme individualism poisoned the mental outlook of some people and the aftereffects and pernicious influences of such poisoning have yet to be completely eradicated. Recently, for a multitude of reasons, we have been slack and rather weak in our attitude toward the ideological education of the working masses and ideological and political work. This has also brought about a return to a certain amount of individualism and selfishness, none of which can be ignored. The historical and present influence of bourgeois and other nonproletarian ways of thinking both in China and from abroad cannot be wiped out in a short period of time, thus the struggle to counteract the corruption of such thinking must be carried out over a long period of time. Thus an important task is presented to party departments of every level, to labor committees and organizations of every type as well as to ideological and political workers and theorists, namely, to always make sure, during this new historical period of building socialist modernization, that political and ideological work is constantly strengthened, communist education improved and that workers (in fact all people) are once again imbued with communist and socialist ideas. We should adopt all feasible measures to ensure support for the effective realization of this work and we should not cease to try and improve the quality of the working masses' ideology, politics and morality while helping them to fight and overcome the power of the influences of bourgeois and other nonproletarian ways of thinking. Only in this way can we help preserve the true class qualities of China's working class, help preserve the purity of its ideological consciousness and make more and more members of society shake off old ways of thinking and the fetters of this old consciousness and accept the ideological consciousness of the working class and from this point consolidate and develop the government position and guiding role of the working class' ideological consciousness within the domain of China's socialist consciousness.

At the same time we must recognize that within the sphere of China's socioeconomic life, we are carrying out a planned economy with market regulation playing an auxiliary role. However, the level of development of China's social production forces requires us to apply ourselves fully to the development of socialist commodity production and commodity exchange starting from now for a relatively long period of time. Under such conditions, the question arises as to how it is possible to develop commodity production and commodity exchange while at the same time awakening the masses to recognition of the limitations of the principles of free commodity exchange and exchange at equal value, destroying the narrow field of vision created by this, and yet also preventing it from overstepping the domain of economic activities and encroaching on the domain of social life; thus, for example, preventing it from encroaching on the domain of mental life or the domain of the relations between ethics and morality or encroaching on common beliefs, ideals, individual and national character and other such sacred domains. This problem indeed throws up some grim and penetrating questions, but before an effective solution can be reached the working classes and the people in general must undergo a strengthening of their communist education so that the level of their ideals and ideological and political consciousness is raised.

The working class is the most advanced class in China and as such possesses characteristics of its advancement which other classes do not have. The reason for this is because it possesses the ideological weaponry of scientific communism (or scientific socialism, the meaning is the same) as well as the fact that it is closely connected to the interrelations of the present-day productive forces and production relations and is in fact the representative of these new productive forces and production relations. But the working class cannot spontaneously generate scientific communist thinking. It must be educated and imbued with such, before it may possess such an ideology and before it may come to understand its own historical position and historical mission, to be the strongest and most advanced social force for the promotion of a beautiful and glorious future. This basic principle of Marxism, even today is still just as applicable as before and is not only fitting for the historical period of the struggle of the working class to attain political power but is also fitting for today's historical period of socialist construction and the eventual realization of communism in the future. In the final analysis the carrying out of communist education for the working class and their imbibement of communist ideology involves making the working class clearly recognize its own basic potential and its actual situation and from this point allow a conscious realization of this potential in order to carry out and support the unremitting struggle. In terms of historical materialism, the social actions of human beings are always the product of certain demands for interest. The ways in which such demands manifest themselves are numerous, such as individual interest, class interest and social interest as well as partial interests and all-round interests, short-term interests and long-term interests. The way in which people perceive these interests are also numerous. In general people always tend to perceive first of all their own personal immediate interests, for such interests can be perceived through the senses in daily life, while long-term and all-round interests are not perceived or appreciated in the same way, and hence are not seen through the senses of everyday life. In order to appreciate such interests one must do some theoretical thinking and one must formulate scientific abstractions and theoretical generalizations from the individual to the general and from the concrete subject to the essential nature of a situation. The ideological system of scientific communism makes up the ideological system of the working class and clarifies the fundamental principles developed in society as well as the conditions for the working class to liberate themselves and the entire masses and expresses the most profound and fundamental of the working class' and laboring masses' interests. Of course such an ideological system cannot be created by the daily perceptions of the working people, but can only be established and developed through the intense study, by Marxist theorists and working class political parties, of the ideological and cultural results already achieved in the history of mankind, the study of the working class' class position and the study of the practical experiences of the workers' movement as well as extensive theoretical work and theoretical generalizations. Before the appearance of Marxism and theoretical communism the working class had already long existed as an objective class of society and indeed had already started its mass struggle to fight against capitalist exploitation. However, this struggle was carried out without the working masses' appreciation of the essential interests and good of its own class, and its motive force was only immediate short-term direct interests. Moreover, the contents of the struggle were predominantly economic and had not yet unified to overturn the entire capitalist ideological system and system of exploitation and for this reason was still stuck in a stage of spontaneity. Only by imbuing the working masses with scientific communism and uniting the worker movement can the working class gradually come to understand its own essential interests and thereafter cause the historical change from being a class-in-itself to a class-for-itself and thus the workers movement will have an awareness and be able to mold itself into a true communist movement. Such a fact of history amply clarifies the urgent importance and great significance of communist ideological education in the development of the working class and other revolutionary causes. Today we should continue our support for educating and imbuing the working people with communism and communist ideas as well as its significance and aims, which are to ensure that the working masses, under a new set of historical conditions, may continue to understand and bear in mind the essential interests of their own class and mankind in general and so that they may also be able to broaden their field of vision from individual, family or enterprise interests to recognize completely and understand the interests of the development of the entire socialist society. In this way they may accurately combine individual and social interests and thereby consciously serve the developed demands of social interests. At the same time they should actively try to influence and win over the broad spectrum of the masses in order to jointly develop the socialist cause and to arduously struggle and ceaselessly strive to bring our society nearer to our glorious aim of communism.

In order to ensure the effective realization of communist education, one must first improve the contents of such an educational program. It should be similar to the cultural education system in China given to the public from primary through secondary school to university with unified contents and a sequential order combined with composite planning. Thus the communist education provided by the party for the working class and other members of society must be based on summarized practical experience to gradually build up its own complete system. From the moment a worker enters a factory to the day he or she retires, he or she should, at various times, relate their actual thinking to gradually create a systematic education of ideology. We feel that this system of communist education should, in terms of content, include the following basic facets: 1) Education in communist ideology. The ideal of revolution is a form of advanced social consciousness and a scientific belief, and is the spiritual force urging the people to build an objective world and society to develop. We must firmly establish the lofty ideals of communism in the working masses, especially in the young workers. And not only must we thoroughly educate them in the basic theories of Marxism, we must also educate them thoroughly in revolutionary history as well as socialism, patriotism and internationalism. After completing such a program of education, they will be able to grasp the basic tenets of Marxist principles of social development and come to understand how the continuous, advanced dialectical methodology of the communist movement with its mutual promotion and mutual integration of international and national conditions is able to carry on the history and thence glorious tradition developed by China's and the international communist movement. Thereafter they may take those ideals fought for on behalf of the socialist and communist cause, to become the solid theoretical and practical base for the creation of a firm and rock-steady conviction based on their own thinking. Thereafter they may closely tie up this conviction with their own aspirations and actual work and life and therefore stimulate themselves to turn and face the bright future and then march forward courageously to struggle, create and construct. 2) Education in communist labor attitude. In a socialist society, because of the restrictions on the level of development of the productive forces, labor is still a means of life. The principle of distribution according to work should be applied for the distribution of consumer products and we must recognize the principle of laborers being concerned about the socialist material benefits of the fruits of their own labors on the basis of individual material benefits. Nevertheless, we must teach the workers and other laborers to establish a communist labor attitude and encourage them to work without consideration of remuneration and to concern themselves with the collective fruits of their labors on the basis of social benefits, to serve the people heart and soul and to serve the fulfillment of the material and cultural demands of the entire population. Naturally it is not possible during the socialist stage, for communist labor with disregard for remuneration to occupy an authoritative position within the entire sphere of social activities, but such communist aims should and indeed can be increased and developed. The spheres of work and advanced people who continue to appear from within the work force and the laboring masses are the true embodiment of communist labor. We must adeptly put to use their achievements and experiences in order to educate the workers. Some people still do not understand why, if we are still in the socialist stage of development, we should carry out communist education, establish a communist morality and advocate a communist labor attitude. Socialism is the first stage of communism, thus without actively developing communist aims and ideals there can be no improvement and development in the socialist system. Hence, in terms of distribution, it is necessary to support the principle of distribution according to labor while at the same time actively promoting a communist labor attitude before the development of our society's labor and economic life attains an all-round, solid motive force. 3) Education in communist morality. Lenin said: "The basis of communist morality is the struggle to consolidate and complete the communist task." ("Selected Works of Lenin," Vol 4, p 355) The main task and substance of educating the working masses and other members of society in communist morality is to train them to become loyal to the cause of socialism and communism. Furthermore, in order to achieve a positive attitude toward work and life, we must help them develop a consciousness toward work responsibility and thereby make them come to clearly understand that there is no difference between individual and social interests within the new society and that true happiness and social value for each member of society illustrate itself in one's struggle to succeed in striving toward the aim of communism. Thus, consciously performing one's social tasks, consciously abiding by the laws of society and the basic principles of everyday life, consciously protecting and promoting the new interrelations between workers in terms of unity, assistance, love and cooperation, and consciously destroying all phenomena which go against the interests of society are the lines along which the struggle must continue. The country and the society will come to evaluate each individual's moral standards based on his or her working and social activities and general behavior and the extent to which these factors contribute to the victory of the socialist and communist cause. In the process of carrying out the teaching of communist morality, we should at the same time introduce legal education. Moral education creates the necessary premises for respect for legal authority and legal education can help establish the principles of communist morality within the course of everyday life. 4) Education in appreciating the beauty of communism. This is an indispensable part of communist education and in fact turns up in every aspect of such education and is an important factor in improving the effectiveness of the education in ideals, labor attitude and morality. The most important task in educating workers and members of society to understand the beauty of communism is to foster and strengthen their ability to appreciate such beauty, to encourage them to love and pursue those things in life of a revolutionary, advanced, healthy and beautiful nature and to foster abhorrence, resistance and struggle against all corrupting and awful things which oppose socialism. They should be helped to establish the basic distinction between their own view on the appreciation of beauty and that of the bourgeoisie and other exploitative classes and to take human, ideal, moral and social activities of a communist nature as the basic premise for an advanced view of beauty as well as a standard for viewing such beauty. From such premises the masses may then use such views of beauty and such standards, as well as the generalizations of beauty reflected by such standards, to organize their own material and spiritual lives, and thereby constantly improve the style and direction of their lives. Both historical and present-day experience illustrates that the nearer a person comes to attaining a communist appreciation of beauty, the more he or she is able to penetrate deeper into the beauty of the world and in this way his or her thinking and behavior will reach higher standards and greater purity and hence the more he or she will consciously be able to contribute to the great tasks for attaining the ideals of communism. Here, then, we have made a brief summary of the significance and most important tasks involved in carrying out communist education. The more concrete problems of what the specific content of such education should be, what should be learned first, how each separate subject should be thoroughly learned, what concrete requirements should be aimed at after the learning experience and how such education should be tested, all such problems require the strength of every level of the party administration and of the workers' organizations and committees to work out a comprehensive plan by summarizing practical experience and carrying out scientific study so that an outline for the educational material may be established. With this educational outline every region, every business and every enterprise can formulate more concrete and specific plans based on their own characteristics. In general, then, this education must gradually be standardized and systematized.

In order that communist education sees fruition, changes and improvements must be made in the shape and methodology of ideological and political education within enterprises. The core of communist education is to seek and probe for the truth and spread the truth. Since truth is scientific it follows that the style and methodology of probing for it and spreading it must also be scientific and must conform with the inner nature of truth. In other words this style and methodology must persuade and inspire the masses to seek the enormous strength to be found in an awareness of the truth. Marx said: "Not only should the results of probing conform with the truth, but the ways through which such results are achieved must also conform with the truth." ("Complete Works of Marx and Engels," Vol 1, p 8) In addition Lenin also said: "We cannot endorse the use of a stick to get people into heaven." ("Collected Works of Lenin," Vol 20, pp 58-59) These quotations clearly point out the necessity for adopting scientific methodology in our search for and spreading of the truth. In the process of carrying out communist education of the masses, we must also take a good look at the glorious tradition and methodology that our party has inherited and accumulated over many years in terms of ideological and political work and improve those areas which are no longer suitable for today's world and thereby create new methodology and styles of a lively nature which will be easier for the masses to accept. At present, the most important target for communist education in enterprise is the young people. On the basis of young people's ability to think independently, their thirst for knowledge and their wideranging interest and love for things, we must strengthen the direction of educational work as well as its liveliness and knowledge content. We must support the adoption of guiding and inspirational teaching methods and aim for positive education with a sequential and lively style to it. At the same time we must bring together ideological and political education with rich and varied spare-time cultural activities. Watching films, television and reading literary and scientific books all comprise an important part of the workers', in particular young workers', spare-time activities. We should examine this area very carefully and ensure the highest quality of radio, television and films as well as newspapers and books read by workers, thereby making them an important channel for the dissemination of communist thinking and ideas and acting as increasingly rich spiritual nourishment for the workers.

Some people only partially understand the need to make ideological and political work serve the needs of economic work and in so thinking they make the contents of ideological education within enterprises extremely narrow, restricted only to ensuring work attendance, safe production and the completion of production plans. Such an attitude means that the comprehensiveness of communist education is ignored as is the importance of improving educational methods and styles. Such a situation demands immediate rectification. Correct and effective communist education is the best means of improving the workers' political and ideological consciousness, the best means of ensuring a socialist quality and expansional direction to an enterprise and the best and most basic means of expanding enterprise production and raising productivity. These few points must have our full attention.

Some people feel that educating workers with communism at present will not meet with success. This is not true. Many regions and enterprises which have already started educating their young workers with communist ideas have now established a series of good styles and teaching methods, while at the same time amassing successful experiences. An example might be the Yangzhou Cotton Mill in Jiangsu Province mentioned in the piece entitled "Correct Appraisal of the New Era of China's Working Class." The factory set up a political school in which, with the help of guiding and correct educational methods and successful integration with the realities of the workers' actual thinking, they carried out education in the four basic principles of the party as well as the historical mission of the working class and obtained results which satisfied everyone. The school ran classes for 10 weeks, with attendance from a total of 491 people, with over 90 percent of those attending taking time off work to study. There were varying degrees of improvement in many aspects such as ideological and political consciousness, labor attitude, labor discipline, moral standing and work responsibility. Families of those attending the school sent silk banners congratulating the school on its successful teaching methods. The success and outstanding achievements obtained by this political school cannot be separated from the unceasing energy and work of those ideological and political workers active in the factory who managed to organize the school. At the same time as improving the training of ideological and political workers we must also select a series of workers who show keen interest in their political and ideological work, display revolutionary spirit, possess cultural and scientific knowledge and high standards of Marxist-Leninist theory and who have close contact with the working masses and take these people and train them thoroughly to undertake similar tasks elsewhere so that we may build up a great team of ideological and political as well as communist education workers. We must realize that when the working class has undergone a long period of training in communist activities they will possess the tradition of learning communist theory. The brightest and most intelligent of our ideological and political workers must constantly amass and summarize their experiences so that they may construct new methods and styles of educating the working masses in ideology. An upsurge in communist education centered on the scientific theories of Marxism-Leninism-**Mao Zedong** Thought will, in line with the incessantly developing direction of China's political and economic situation, without doubt flourish in China.

At the same time as educating the working class in communist ideas, we must ensure that the working class also receives cultural and scientific education. Such education not only raises the workers' production capacity and the vital need for them to grasp the complexities of modern equipment, it also helps them grasp the theory of communism. Both Lenin and Mao Zedong pointed out the importance of this problem many times. Just as one cannot come to understand the complexities of modern machinery without scientific and cultural knowledge, so too, without a certain level of culture, one cannot come to understand relatively complicated ideological, political and theoretical problems. Our work in ideological and political education can only reach a relatively low level, thus we must raise the level of cultural, scientific and technological education above that of ideological and political education. During this period of economic readjustment and enterprise consolidation it is vital and feasible to carry out training and education for all workers which will include both ideological and political as well as cultural and scientific content.

The Communist Party of China may be seen as the vanguard of the working class and as the political party of communism and its amassed work and activities embody the realities of China's communist movement and the ideology of communism. In terms of national and social life, the Communist Party of China plays a guiding role for ideology and politics. Education in communist ideology for the masses, in particular the working masses, is therefore, an important and frequently recurring task of party members at all levels including enterprise party members. An important aspect of this task is the strengthening and improvement of ideological and political educational work by party leaders involved in strengthening and improving the party itself. Furthermore, the very center of socialist spiritual and cultural construction may be seen as the carrying out of communist ideological education for the masses, in particular the working masses. Only if we recognize the position and role of communist education within party activities and within spiritual civilization construction in general, can we definitely carry out and complete this work and make our working classes and other adult members of society into a new breed of person more and more imbued with the ideals, morality, culture and discipline to devote themselves to the communist cause.

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HOW TO STUDY THE SECOND PART OF THE REPORT TO THE 12TH CPC NATIONAL CONGRESS

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[Article by RED FLAG Editorial Office for Theoretical Education; passages within slantlines published in boldface]

[Text] On the basis of summing up the experience and lessons of China's economic construction and analyzing China's national situation, this section deals with the economic program for socialist modernization, and discusses the following main issues: one strategic goal, two strategic periods, three strategic focal points and four main principles concerning the task of China's economic construction between 1981 and the end of the century. These four issues have their own points of emphasis, but are interrelated and together form a complete and clear blueprint for socialist economic construction.

Through our study, we can divide the above four issues into four main points, come to a deep understanding of their meaning and put forward the objective bases for their proposal, clarify the relations between them and master the basic contents of this construction program as a whole.

/In studying the strategic goal, we must have a clear understanding of the following: 1) the concrete meaning of the strategic aim of China's economic construction from the year 1981 to the end of this century; 2) the great significance of realizing this strategic aim; 3) the real possibility and objective basis of realizing this strategic aim./

The report points out: "In the 20 years from the year 1981 to the end of this century, the general aim of our country's economic construction is to strive to quadruple the total annual industrial and agricultural output value of the whole country by constantly raising economic results; that is, to increase the output from 710 billion yuan in the year 1980 to 2.8 trillion yuan in the year 2000." The quadrupling referred to here means that the total yearly industrial and agricultural output value of our country by the end of this century will be four times as much as that in the year 1980 (calculated according to the fixed prices in 1980). In other words, this will be the achievement of two twofold increases. These various ways of expression mean one and the same thing. In addition, the quadrupling refers to the industrial and agricultural total output value. With regard to the output or output value of each product, the increase will not necessarily be 400 percent. It may be higher or lower than that. What merits particular attention is that the fourfold increase must be realized "by constantly raising economic results." In other words, the increase of output value must not be inflated or exaggerated. It must be real and be obtained through constantly tapping potential, reducing consumption, raising quality and broadening and deepening production.

To quadruple the total yearly industrial and agricultural output value in 20 years is an impressive aim. It presages a glorious future for our country's socialist construction and for our people. If we manage to achieve this strategic aim, our total national income and the output of our main industrial and agricultural products will occupy a leading position in the world, the income of the people in the cities and the countryside will double and their material and cultural life will reach a comfortable standard. We must not belittle "the quadrupling of the total yearly industrial and agricultural output value." Whether we look at it from the angle of our country's present economic status, or compare it with the speed of economic growth of other countries, we can be proud of this aim. According to general statistics of Western countries, China's gross national product in 1980 was about 1/9 of that of the United States, a little less than 1/4 of that of the Soviet Union, 1/4 of that of Japan and a little more than 1/3 of that of West Germany. Increasing it by four times means that our country's gross national product will be close to that of Japan in 1980, which then ranked third in the world, and will far exceed that of West Germany, which ranked fourth in the world. Of course, because China has a large population, the level of per capita national income will still be low. Moreover, by the end of this century, other countries will also have progressed. However, because the average growth rate of China's industry and agriculture is higher than that of economically developed countries, the gap between China and these countries will certainly be narrowed. We must not belittle the "comfortable standard of living." The "comfortable standard of living" means a common medium level of material and cultural prosperity. Having achieved this, although our living standard will not be high in comparison with that of economically developed countries, we must understand the following: First, the "comfort" we are referring to will be comfort enjoyed by the entire population. It will not be like that of capitalist countries, where the greater part of the high national income goes into the pockets of a few capitalists. Second, the "comfort" we are referring to is real comfort, bringing substantial benefits to the people. It is different from that of capitalist countries, where because of heavy taxes, inflation and rising unemployment, a significant amount of the laborers' income is stripped from them. Third, the "comfort" we are referring to is comfort that will enable the whole people to live happily. It is different from that of capitalist countries, where the working people are often worried by unemployment, robberies and murders, and cannot live in peace. In our study, we must be good at combining theory with practice, make scientific comparisons and come to a deep understanding of the great significance of achieving the strategic aim.

The strategic aim determined by the party Central Committee is formidable but also realistic, and can be achieved through hard work. Some comrades are not confident enough of this because they have not yet got rid of the negative influence of past economic setbacks, and because they have not fully understood the favorable conditions for realizing the strategic aim. We should realize that since the third plenary session of the party, by bringing order out of chaos, we have corrected the past "left" erroneous tendency, correctly summed up experience and lessons and found a new road of the Chinese type for building socialism. In addition, after more than 30 years of construction, our country has built up certain material and technological foundations. We have a relatively complete industrial system with relatively complete branches, and distribution is becoming rationalized. The foundations of industrial, transportation and nonmaterial production departments are far better than before. Take industry for example. Its potential is great. At present, China's energy utilization ratio is about 30 percent on average, while that of advanced industrial countries is as high as 50 percent. The output value produced by each 10,000 tons of energy in our country is about 63 percent lower than that of the United States and 72 percent lower than that of Japan. The history of economic development in the past 30 years or so also shows that it is possible to achieve a fourfold increase. For instance, a fourfold increase in 20 years means an average yearly increase of 7.2 percent. What was the growth rate of our country's production in the past? Calculated according to fixed prices, the total industrial and agricultural output value in 1981 had increased by 850 percent over 1952. In other words, the industrial and agricultural total output value was over 9 times as much. The average yearly rate of increase of our country's total industrial and agricultural output value between 1953 and 1981 was 8.1 percent. In the 20 years from 1961 to 1980, China's economic construction was affected by the erroneous "left" tendency. It was especially undermined by the 10 years of internal disorder. Yet the average yearly increase rate of the total industrial and agricultural output value still reached 6.1 percent, although economic results at that time were not high. At present, China has unprecedentedly favorable conditions for its economic construction. It is perfectly possible to make the average yearly increase rate of the total industrial and agricultural output value exceed 6.1 percent and reach more than 7 percent in the coming 20 years. We must have full confidence in this.

/The second focal point is a key problem of strategy for China's economic construction in the coming 20 years. Why must we grasp strategic key points in realizing our strategic aim? What is the relationship between nonstrategic points and strategic key points? We must come to a good understanding of these questions in our study./

The various departments involved in economic and social development form an organic whole. Because the positions and status of the various departments are different, in the process of economic development, some of them will become key departments and some will not, and they must be tackled in order of priority and urgency. According to specific conditions and within a certain period of time, we must lay stress on the principal and weak departments that restrict economic development, and concentrate our efforts mainly on strengthening them. This is a practical, realistic and far-sighted strategy. Although China's agriculture, energy, communications, education and science have developed to a certain degree, they have for a long time lagged behind the development of the national economy as a whole, and have been weak links that restrict economic development. If we do not solve this problem, we will have great difficulty in realizing our strategic aim. Therefore, it is of far-reaching significance that the party Central Committee has decided that the above departments will be our strategic focal points in the coming 20 years.

Agriculture is the foundation of the national economy. The status of this foundation has a decisive bearing on the development of the national economy as a whole. Since the third plenary session of the party and the popularization of the production responsibility system, we have developed a diversified economy by paying close attention to grain production, and China's agricultural production has developed remarkably quickly. But we have not fundamentally changed the low level of our agriculture, labor productivity and commodity rate. Our conditions for agricultural production are bad, and our ability to take precautions against natural calamities is low. The grain provided by each agricultural laborer is sufficient to support only about three people, far lower than the level of economically developed countries. The marketable surplus of grain amounts to only 15 percent. Products from forestry, animal husbandry, sideline production and fishery have been in short supply for a long time. In particular, China has a large agricultural population and little cultivated land. The average area of cultivated land per person is only about 1/3 of the 4.9 mu world average. The contradiction between a large agricultural population and little cultivated land is becoming more and more marked. All this shows that China's agriculture, the foundation of the national economy, is still weak. Only by firmly stressing agriculture as a strategic focal point, can we lay a more solid foundation for the development of the national economy.

Energy and communications are two important branches of material production in the national economy. Energy provides fuel and power for the national economy, and communications are the veins of the national economy. Since liberation, China's energy production has developed greatly. But because the processing industry has developed even faster and the utilization of energy has been low, energy production has for a long time been a weak link restricting our economic development. According to preliminary calculations, due to the shortage of electricity and coal, 20-30 percent of equipment throughout the country cannot operate at full capacity. The further exploitation of energy resources has become an urgent task. This needs a lot of investment, and a long construction period. But as to economizing on energy, it is quite a different matter. So long as we adopt effective measures, we can achieve quick and remarkable results. If we raised the utilization ratio of our country's energy to that of present-day Japan, we would quadruple our energy output. Therefore, we must concentrate on the planned exploitation of energy resources and the economical use of energy to guarantee the fulfillment of the needs of the development of the national economy. Communications and transport are another weak link in the national economy. In the past 30-odd years, the volume of our country's railway cargo has increased 30 times, but the railway mileage open to traffic has increased by 130 percent only. There are more and more weak areas and sections, and the transport capacity of "bottleneck" areas and sections can carry only 50-70 percent of the railway transport volume. On the one hand, coal that has been produced cannot be transported by train. On the other hand, due to the shortage of coal, work on the industrial front cannot be carried out fully. The capacity of highway and waterway transportation is comparatively weak, the handling capacity of our ports is inadequate and the waiting time for unloading is too long. Because the "veins" of communications and transportation are insufficient, industrial and agricultural production and the livelihood of the people are seriously affected. Only when we make great efforts to grasp these weak links as focal points, can we really guarantee the realization of the strategic aim.

The modernization of science and technology is the key link of the four modernizations. Science and technology determine more and more directly not only the speed of our country's economic development, but also the level of economic results throughout the country. At present, the consumption level in our country's production is high, its economic results are poor and its equipment and products lag behind advanced world standards. The fundamental reasons are that the level of science and technology is low and management is backward. The fact that economic structure, the organizational structure of enterprises and the structure of products are irrational reflects to a large extent the low level of China's science and technology and of its management. On the whole, the technological level of our country's industrial production is only equal to that of developed industrialized countries in the late fifties and early sixties. It is 20 years behind the advanced scientific and technological level of the world today. There are not many engineering technicians in our country. The average educational level of the masses of workers and peasants is low. There are not many skilled workers nor skilled specialized management personnel. All this slows down the development of our country's economy. According to statistics, in developed industrialized countries, 60-80 percent of the development of industrial production is achieved through technological innovations. Science and technology must be applied and developed by those people who are relatively well educated. Obviously, it is difficult for China's economy to rank in the forefront of the world if we do not raise our cultural and educational levels and our scientific and technological standards.

Laying proper emphasis on the strategic focal points not only accords with the objective requirements of the overall balance of the national economy, but also with the trend of the future development of the national economy. Therefore, it is absolutely necessary to concentrate appropriate funds and energies on the above fields. But it does not mean that we can place other branches of the national economy in an insignificant position. Developing strategic focal points requires the joint efforts of various trades and enterprises, and breakthroughs in strategic focal areas will in turn bring forward and promote the development of other branches. In our study, we must combine theory with practice and correctly understand the interrelationship and compatibility of the dialectical relations between strategic and nonstrategic focal points. It is wrong to overlook the importance of laying proper emphasis on strategic focal points and to fail to make positive contributions to doing this. On the other hand, it is also wrong to pay attention only to strategic focal points and neglect the development of nonstrategic areas.

We must also take into consideration the fact that China's population is great and its growth rate is too high. This is an important factor which has not only increased the burden of state finance, but also affected economic development and the improvement of the people's livelihood. Under the socialist system, since we can overcome the anarchy of material production, we should and can overcome the anarchy of population growth. In the coming 20 years, it is also one of our strategic tasks to effectively control the population growth and to raise the quality of the population.

/The third focal point proposes to realize our strategic aim in two stages. When studying this problem, we must gain a clear idea of the following: 1) Why must we realize our strategic aim in two stages? 2) What are our main tasks in the first 10 years and in the coming 5 years?/

Realizing our strategic aim in two stages is a correct strategic measure suited to China's economic conditions and trend of development. This is a plan for a gradual, orderly increase in the rate of economic development, and a practical program which strives to suit the subjective to the objective and to bring our initiative into play. In the next two 10-year periods, the first 10 years will be devoted to laying a good foundation, accumulating strength and creating conditions; consequently it will be impossible to achieve a high rate of development. In the second 10 years, we will accelerate our rate of development and enter a new period of vigorous economic development.

Various conditions will restrict our rate of development in the first 10 years. Since the third plenary session of the party, by implementing the principle of readjustment, restructuring, reorganization and upgrading, we have carried out the policy of enlivening our domestic economy and of opening our door to foreign investors. The national economy has therefore developed steadily. However, the many problems left over by history cannot be solved all at once. For instance, we still need a fairly long time to readjust and restructure our disproportionate national economy, and our irrational industrial structure and economic system. It is impossible to change the backward state of energy and communications in a short time. Due to the lack of technological strength and funds, we can only tackle key scientific and technological problems and carry out technical innovations in existing enterprises, and for the time being this cannot be done on a big scale. The training of qualified personnel and the improvement of technological and management standards require a whole process. In the first 10 years, if we can concentrate our efforts on solving the above problems, we will be able to reduce waste, improve economic results and promote productive forces. We can also accumulate strength and lay good foundations for our future development and thus guarantee that there will be a relatively rapid increase in the second 10 years.

In realizing our great strategic aim, the first 10 years, and particularly the first 5 years, are a crucially important period. The tasks of the first 10 years, that is, the tasks of the Sixth and Seventh Five-Year Plan periods, have been clearly explained in the report. In our study, we can also refer to the third part of Comrade Zhao Ziyang's report to the fourth meeting of the fifth people's congress. The report to the 12th CPC National Congress proposes the realization of a fundamental change for the better in our finance and economy within the coming 5 years. We must "markedly improve economic results and steadily maintain a balance in finance and credit, and price stability." The fundamental change for the better in finance and economy seems mainly to involve questions of finance and price, but it is in fact an overall reflection of the entire work of economic construction and of the development of production. Only when we shift the whole of economic work onto the correct path which centers on improving economic results, combine increasing production with practicing economy and do all our work practically and realistically, can we achieve our strategic aim. The whole is composed of parts. Each unit is a piece on the national chessboard. So long as each unit can bring its enthusiasm and initiative into play according to the requirements of overall balance, and make contributions to the realization of the above aim, the whole strategic task can be accomplished even more satisfactorily.

/The fourth focal point deals with four important principles which must be adhered to in realizing our strategic aim. These four principles are actually four dialectical relations in our socialist economic life. They reflect the most important requirements of socialist economic law and play a universal and long-term guiding role in socialist construction. When studying this focal point, we must deepen our understanding of the four dialectical relations by combining theory with practice. In addition, we must act in the light of specific conditions, and prevent and overcome any one-sidedness which might emerge in the course of implementing these principles./

The correct handling of the relationship between carrying out socialist construction and constantly improving the people's livelihood is a requirement of socialist economic law, and primarily of basic socialist economic law. In the final analysis, the purpose of socialist construction is to improve the people's livelihood. But to do this, we must accumulate funds and expand production. Here we are required to handle well the relations between accumulation and consumption and to pay attention to both immediate and long-term interests and the interests of the state, the collective and the individual. Comrade Chen Yun put it this way: "First, we want to eat. Second, we want to carry out construction." In the past few years, we have readjusted the proportion between accumulation and consumption, and the people's livelihood has improved remarkably. But there has been a drop in state revenue, and state funds are excessively decentralized. In the light of this situation, the report proposes that we concentrate our funds on key construction projects so as to change the tendency of excessive decentralization of funds. While continuing to implement the present financial system and protect the autonomy of enterprises, we must appropriately readjust the proportion of distribution between central and local revenue and encourage localities, departments and enterprises to use their funds for construction projects urgently needed by the state. We can only improve the livelihood of the people in the cities and countryside by developing production, not by reducing the state's indispensable construction funds. In this respect, we must further unify our thinking, raise our understanding and resolutely carry out the above principles through studying the report.

Correct handling of the relationship between maintaining the dominance of the state-run economy on the one hand and developing various economic forms on the other is essential, because of the law that production relations must be suited to the character of productive forces. It also has important bearings on bringing into full play the superiority of the socialist system. The state-run economy controls the state's economic lifelines. It is the principal part of the socialist economy. Maintaining the dominance of the state-run economy is the basic prerequisite for guaranteeing socialist modernization, as well as a decisive factor in guaranteeing that the collective ownership system of the laboring masses will advance along the socialist road, and that the individual economy will serve socialism. On the other hand, due to the imbalance in productive forces, we must rationally dispose of and develop various economic forms in coordination so as to compensate for such imbalance. Only in this way can we bring all positive factors into full play, make the urban and rural economy flourish and satisfy the demands of the people. The correct handling of the relationship between maintaining the dominance of the state-run economy and developing various economic forms was a task put forward after the basic completion of the socialist transformation of the means of production. But since then it has remained unsolved. It was only after the third plenary session of the party that the relationship between the two was handled correctly. In our study, we must combine theory with historical experience and deepen our theoretical understanding of the relationship between the two. In other words, on the one hand, we must unswervingly maintain the leading position of the state-run economy so that we can further perfect its management. On the other hand, we must energetically support the development of various economic forms so that they can play the role of enlivening the economy under the guidance of the state plans.

Relying primarily on a planned economy and secondarily on regulation by market mechanism reflects not only the objective requirements of the law governing the planned and proportionate development of the national economy, but also the requirements of the law of value which still plays a role under the socialist system. A planned economy is the essence of the socialist economy. Only by relying mainly on a planned economy can we guarantee the centralization and unification of the country's economic construction and the coordination and balance of the basic proportions of the national economy. On the other hand, only by bringing into play the subsidiary role of regulation by market mechanism, can we supplement what is inadequate in the state plans and enliven the economy. In the sphere of planning and management, this is manifested as follows: Compulsory plans must be effected concerning the production and allocation of those means of production and consumption which influence the national economy and the people's livelihood, especially in those key enterprises which affect the economic situation as a whole. With regard to the purchase of grain and other important agricultural and sideline products, compulsory quotas must be worked out. Furthermore, instructive plans must be implemented with regard to many products and enterprises, and economic levers must be used to guarantee their realization. It is permissible to produce and circulate various small commodities according to market demands and within the limits of state decrees, regulations and policies. Correctly handling the relationship between relying mainly on a planned economy and secondarily on regulation by market mechanism has been a problem frequently encountered over the past years; it will continue to be an important problem which we must continue to try and solve in the future. The phenomenon of laying stress on state plans to the neglect of regulation by market mechanism can still be found; and on the other hand, there is still a tendency to overemphasize regulation by market mechanism to the neglect of the planned economy. To overcome such one-sidedness, we must raise our theoretical understanding of the principles concerned.

The issue of correctly handling the relations between adhering to the principle of self-reliance on the one hand and expanding economic and technological exchanges with foreign countries on the other is actually the issue of correctly handling the relations between China and foreign countries in the course of socialist economic construction. The principle of maintaining independence and self-reliance was, is and will always be our standpoint. In addition, we must also unswervingly carry out an open-door foreign policy, and energetically expand our economic and technological exchanges with foreign countries on the basis of mutual benefit. The purpose of this is ultimately, to strengthen our ability to stand on our own feet. Referring to the relations between China and foreign countries in his "On the Great Ten Relationships," Comrade Mao Zedong pointed out: "Our principle is that we must learn from the strong points of all peoples and countries, and from all the good things in politics, economy, science, technology, literature and arts. But we must learn with analytical and critical eyes. We must not learn blindly, and we must not copy others' experience indiscriminately or mechanically." He also pointed out: "We must resolutely guard against and criticize all the decadent systems and ideas of the foreign bourgeoisie. But this does not prevent us from studying the advanced science and technology of capitalist countries and the scientific aspects of the management of enterprises." We must guard against taking self-reliance to mean isolationism, and being afraid of expanding our economic and technological exchanges with foreign countries. On the other hand, in our economic activities with foreign countries, we must prevent the erroneous tendency of forsaking principles, departing from the correct stand, having blind faith in things foreign and submitting to the corrosive influence of bourgeois ideology.

CSO: 4004/5

HOW TO STUDY THE THIRD PART OF THE 12TH CPC CONGRESS REPORT

Beijing RED FLAG in Chinese No 19, 1 Oct 82 pp 45-48

[Article by RED FLAG Editorial Office for Theoretical Education; passages within slantlines published in boldface]

[Text] This part of the report scientifically expounds the importance of building socialist spiritual civilization in the new historical period from the higher theoretical plane of scientific socialism and the higher political vantage point of the future of China's social development and clearly and definitely formulates the principles, tasks and measures of the building of socialist spiritual civilization. The contents comprise the following four main points:

1. The dialectical relationship between spiritual civilization and material civilization.

2. Socialist spiritual civilization constitutes an important characteristic of the socialist system and a major aspect of its superiority.

3. Socialist spiritual civilization must take communist ideology as its core.

4. The aim, requirements and tasks of building socialist spiritual civilization.

/While studying the first main point, it is advisable to deepen our understanding in the following aspects: 1) What is material civilization? What is spiritual civilization? 2) We must have an understanding of the great significance of socialist spiritual civilization by viewing the interrelationship of spiritual civilization and material civilization. 3) We must pay attention to overcoming the ideological trend to overlook the building of spiritual civilization in light of actual conditions./

Civilization refers to the progress and the civilized state of human society. While talking about Morgan's division of stages in ancient societies, Engels pointed out: "The civilized epoch is a period in which human beings have learned to further process natural products and in which real industry and art have taken shape." ("Selected Works of Marx and Engels," Vol 4, p 23)

Here Engels has already clearly brought to light the contents of the two aspects of civilization, namely, the progress of material production and spiritual production of human society. Human history is a history in which people continuously transform the objective and subjective worlds. In the practical activities to transform the objective external world, people create more and more social material wealth to meet the needs of the material life of human beings. This transformation of nature results in material civilization as manifested in improved conditions for material production and in a better material life for the people. Along with this, the production of spiritual values and the spiritual life of mankind also develops and the ability of human beings to understand the objective external world steadily increases. The achievements in this respect are what we call spiritual civilization, as manifested in a higher educational, scientific and cultural level and in higher ideological, political and moral standards.

Spiritual civilization and material civilization constitute the two aspects of human civilization. Their relationship is just like the two wings of a single bird. They are interdependent and not a single one of the two can be dispensed with. Furthermore, fundamentally speaking, material civilization provides a foundation for spiritual civilization. There may be a higher level of spiritual civilization in a situation in which the conditions for material production are relatively on the low side, but without a prosperous and developed economy, such undertakings as education, science and culture will surely be restricted and a backward economy will also interfere with social morality and practices. Therefore, we must do a good job in economic construction so as to ensure the continuous progress of social material production and the continuous enhancement of the level of material life of the people, thus further creating conditions for enriching and developing the production of spiritual values and spiritual life. On the other hand, spiritual civilization gives a tremendous impetus to the development of material civilization. Education, science and others are a latent productive force which gives people knowledge, methods and skills. Once this knowledge, methods and skills are grasped by the working people, they will become a practical productive force. The ideological education in spiritual civilization not only plays a motivating role in the building of material civilization but also ensures its correct orientation. In any society, the class which occupies a dominant position tries to make its own ideological system dominant in the society to accelerate the development of material production and material life in line with the interests and requirements of its own class. In a socialist society, it is the proletarian ideology that occupies a dominant position. The proletarian ideology represents the fundamental interests of the working people and corresponds with the orientation of the development of human society, so any ideological system in history cannot compare with the proletarian ideology in the motivating role the latter plays in the development of material production and material life. It is precisely because of this that we must do our utmost to build socialist spiritual civilization and arm the masses of people with proletarian communist ideology so that they can give play to their enthusiasm and creativity for building a modern and powerful socialist country and forcefully push socialist material civilization forward.

Some people hold that it is not until material civilization is highly developed that we can begin to talk about the building of spiritual civilization or deem that spiritual civilization will spontaneously arise when material civilization is highly developed. This argument reflects the inadequate understanding of the significance of the building of socialist spiritual civilization and the lack of a thorough comprehension of the dialectical relationship of the two civilizations. As we have mentioned above, material civilization provides an indispensable foundation for spiritual civilization and any view that overlooks the building of spiritual civilization is wrong. However, this does not mean that spiritual civilization is a simple and mechanical derivative of material civilization, nor does it mean that spiritual civilization and material civilization develop simultaneously and spontaneously. It must be seen that under given conditions, the level of development of spiritual civilization, and in particular, its ideological contents, and that of material civilization are not even. The development of spiritual civilization can possibly be higher or lower than that of material civilization. The development of ideological education can possibly be higher or lower than that of the cultural aspect of civilization. In the capitalist society, material civilization is highly developed and such aspects as scientific and technological undertakings as well as cultural and educational undertakings are fairly developed. However, on the other hand, of such aspects as ideology and politics as well as ethics and morality, many are decadent and degenerate; the people lead a life devoid of spiritual meaning; and the relationship between man and man is an out-and-out relationship based on money, and so on. All this is determined by its capitalist system. Ours is a socialist society. Although our socialist society is still in its primitive stage of development at present and is not yet highly developed, the political and ideological consciousness and the ethics and morality of the people are far ahead of those people in the capitalist countries with a highly developed material civilization. The main reason for this state of affairs lies in the fact that our country is under the socialist system. Therefore, it is one-sided and unscientific to talk in indiscriminate and general terms about "when the granary is bursting, people will observe etiquette and when clothing and food are ample, people will pay attention to honor or disgrace." This will easily make people think that it seems a spiritual civilization will spontaneously grow with the development of material civilization and will even make people concentrate on the enjoyment of material life and neglect the enhancement of the level of their mental outlook. In fact, material wealth can benefit the people and can also lead the people to degeneration. If we do not enthusiastically build socialist spiritual civilization, the people's ideological consciousness will not necessarily grow with the developed social production and the improved material life.

/While studying the second main point, we must fully understand that socialist spiritual civilization constitutes an important characteristic of the socialist system and a major aspect of its superiority through studying the Marxist basic principle and summing up the practical experience in socialist construction./

We all know that in talking about a society, Marx would first state the economic structure of the society and at the same time, would relate the political and legal superstructure founded on this economic basis and also the social ideology which corresponds to this economy and politics. This exposition of Marx is also applicable in a socialist society. In other words, in analyzing the characteristics of a socialist society, it is not comprehensive to lay one-sided stress on the economic basis and politics without paying attention to the situation of social ideology, culture, education, ideology and morality. In regard to the characteristics of socialism, apart from the public ownership of the means of production, distribution according to work, planned economy and political power of the working class and other working people, as we termed them in the past, there must be one more important characteristic, that is, socialist spiritual civilization. If we fall into a one-sided understanding of socialism and neglect the building of socialist spiritual civilization, we will lose our ability to resist the inroads of various ways of life and ideology which are corrupt, the building of material civilization will possibly deviate from the socialist course and socialism will be in danger of developing in a degenerate fashion.

At the same time, apart from finding expression in such aspects as the elimination of the exploitation system, realization of the public ownership of the means of production, the masses of people being the masters of the country and the implementation of the principle of distribution according to work, the superiority of the socialist system is also manifested in spiritual civilization. Socialism has eliminated the social phenomena of the exploitation of man by man and the oppression of man by man, thus enabling all people to have common fundamental interests, common ideals, common goals of struggle and common moral standards, and even a common sense of law and discipline. Although in a socialist society there exists a class struggle within certain limits and the influences of the remnants of feudal ideas and of capitalist ideology, fundamentally speaking, because all people have common interests and share joys and sorrows together, various virtues, such as ardently loving the motherland and ardently loving labor, being concerned with the collective, finding it a pleasure to help others, being selfless, observing discipline and abiding by the law and heroic dedication to socialism and communism, will always find expression in more and more people. In addition, these common revolutionary ideals, morality and discipline cannot be possessed by any society with class antagonism, which is based on the private ownership system of the means of production. Take the educational, scientific and cultural undertakings for example. China's present level of development in this respect lags far behind that of the developed capitalist countries, but we must see to it that our educational, scientific and cultural undertakings genuinely serve the working people. Therefore, taken as a whole, the more socialist spiritual civilization develops, the more fully the superiority of the socialist system will be manifested.

Seen from the practical experience of building socialism, we have had profound experiences and lessons in the issue of building socialist spiritual civilization. Carrying forward revolutionary traditions and attaching importance to ideological and political work are our party's glorious traditions. In a considerably long period of time, the general mood of our society has been fine. However, during the 10 years of the "Great Cultural Revolution," owing to the sabotage done by Lin Biao and the "gang of four," China's educational, scientific and cultural undertakings were seriously trampled underfoot; anarchism and out-and-out egoism ran rampant and the fine party style and the work style of the people were seriously damaged. These evil influences have not yet been completely eliminated to this day. In the last few years, there has been a renewed increase in the corrosive influence of capitalist ideology coming from other countries in the ranks of our party members and cadres. The history of complications and the present situation have greatly educated us, thus enabling us to acquire a further understanding of the importance and necessity of building socialist spiritual civilization. At present, the 12th CPC Congress report has theoretically made a brilliant exposition of socialist spiritual civilization and affirmed it as an important characteristic of socialism and a major aspect of the superiority of the socialist system. This is a great advance in the party's understanding of socialism and also the inheritance and development of the theory of scientific socialism. It will play a great guiding role in our socialist modernization program.

/While studying the third main point, we must emphatically comprehend that: 1) Why should socialist spiritual civilization take communist ideology as its core? 2) Why should stress be put on the conducting of education in communist ideology during the period of socialism?/

The report points out that communist ideology constitutes the core of socialist spiritual civilization. It is known to all that the so-called core refers to the section of a thing which plays a guiding role in the internal parts of the thing and which determines its nature and orientation. Any society is bound to develop the cultural aspect of spiritual civilization which it needs. However, the scope and level of the cultural aspect can neither determine its own character and orientation nor show the character and orientation of the socialist spiritual civilization of the whole society. This is determined by the character and orientation of the development of another aspect of spiritual civilization--ideological education. Some contents of the cultural aspect, such as education and literature and art, have a class character in such fundamental questions as the guiding ideology of their development and who they serve; the cultural aspect is restricted by the politics and ideology in a society; the other contents such as natural sciences, hygiene and education have no class character themselves but there still exists the question of under the guidance of what ideology they should be developed. As a scientific ideological system which reflects the laws governing social development, communism represents the fundamental interests of the people and occupies a guiding position in all spheres of our socialist society. This just determines that communism will surely constitute the core of socialist spiritual civilization and that we are also surely required to educate the people in communist ideology and morality while building socialist spiritual civilization.

Some people say that while we are in a stage of socialism, it is unwise to raise the question of education in communist ideology and morality. This view is erroneous and does not tally with historical and practical facts. As a social system, the characteristics of communism are from each according to his ability, to each according to his work. Only when the productive forces are substantially developed and the political consciousness of the people is tremendously heightened can the communist system be realized. This requires generations of protracted endeavors. However, the spread of communist ideas and the revolutionary movement for the realization of the ideal of communism already existed long ago in our life. The Chinese communist movement has been carried out in an organized and programmatic way in China since the very day when the PRC was founded. Without the vanguard founded on the basis of the communist ideological system and without influencing and educating the masses in communist ideology, the victory of the new democratic revolution was out of the question, let alone the victory of the economic construction which we are carrying out today! Of course, we are definitely not intending to immediately carry out in society the policies of the higher phase of socialism-communism, but on the contrary, we must persist in implementing the system of distribution according to work and other socialist systems and avoid repeating the errors made in the past under the guidance of "leftist" ideology. However, only when we influence and educate the masses in communist ideology and enhance their political consciousness and enthusiasm for revolution can the socialist orientation of China's modernization be safeguarded, can our socialist society acquire tremendous spiritual motivation and strong fighting spirit and can the inroad of corrupt influences be resisted. It is only in this way that we can fulfill the historical tasks of the socialist modernization program and lay a solid foundation for our advance toward the great goal of communism. In reality, inspired by communist ideology, whether in the period of the new democratic revolution or in the period of socialism, there were thousands upon thousands of heroic fighters who defied personal danger, shed their blood and dedicated their lives to the cause of communism and there are thousands upon thousands of advanced people who are giving all they have to socialist construction. We must encourage a communist ideology and attitude toward labor, learn from revolutionary martyrs and from advanced people and do a good job in every kind of work in the socialist modernization program.

/While studying the fourth main point, we must clearly and definitely understand that the aim of our building of socialist spiritual civilization is to inspire more and more members of our society to become working people with lofty ideals, moral integrity, education and a sense of discipline through practical work in various fields, and in addition we must foster and develop in all of society new social relations which embody socialist spiritual civilization./

Socialist spiritual civilization consists of two aspects, cultural development and ideological education. Building socialism and communism requires highly advanced cultural and scientific knowledge. Lenin pointed out: "It is impossible to establish a communist society in a country of illiterates." He also said: "Only when he enriches himself with the whole wealth of knowledge created by mankind can a man become a communist." ("Selected Works of Lenin," Vol 4, pp 348, 357) It is beyond imagination to build socialism and communism without inheriting and grasping the whole wealth of knowledge of mankind and without ensuring the high development of the educational, scientific and various other cultural undertakings. Owing to social and historical reasons, erroneous ideas such as the underestimation of the importance of education, science and culture and discrimination against intellectuals were rife in our party for a fairly long time, and although they have now been overcome to some extent, they still call for further elimination. We must further implement the policy toward intellectuals, arouse the enthusiasm of the intellectuals and ensure the continued development of the cultural aspect both ideologically and organizationally. We must fulfill the task of achieving universal primary education in the main throughout the country in 1990, and at the same time, pay close attention to the training of cadres so that they can become more knowledgeable and specialized, to the tutoring of the young staff and workers so that they can acquire more general knowledge and to the development of various other cultural undertakings.

While strengthening cultural development, we must vigorously carry out ideological education. The contents of ideological education are many but the most important one is revolutionary ideals, morality and discipline. We must first of all help party members, Communist Youth League members and all other advanced elements foster communist ideals, morality and practices and attitude toward labor, foster lofty ideological values, way of life and aesthetic standards, foster the spirit of consciously abiding by the law and a high sense of organization and discipline, persist in subordinating the personal and partial interests to the interests of the whole and the immediate interests to the long-term interests, foster the spirit of doing everything for socialist modernization and for the socialist motherland and carry forward the lofty spirit of patriotism and internationalism through effective propaganda and educational work, ideological and political work and the work in various other spheres. Strengthening cultural development and ideological education is aimed at inspiring more and more members of our society to become working people with lofty ideals, moral integrity, education and a sense of discipline.

The enhancement of the mental outlook and ideological values of every member of our society will inevitably find expression in social relations. While building socialist spiritual civilization, we must also foster and develop a new type of social relations which embody socialist spiritual civilization. These relations refer to the relationship of mutual respect, mutual concern, equality, friendship and solidarity in the various intercourses of people's social life, such as the economic, political and family life, and they also contain solidarity, friendship and mutual assistance in common struggle and common progress among the people of all nationalities throughout the country in terms of ideology, politics and morality and justice, and a relationship which is based on the identity of fundamental interests. At present, there still exist various problems in the social relations of our country. This is because it has not been long since the establishment of our socialist society which "still bears the birthmark of the old society in the various fields--the economic, the moral and the spiritual." ("Selected Works of Marx and Engels," Vol 3, p 10) All this coupled with the pernicious influence of anarchism and out-and-out egoism incited by the Lin Biao and Jiang Qing counterrevolutionary cliques during the "Great Cultural Revolution," has not been eliminated up to now. This cannot but bring a serious negative influence in social relations. In order to foster and develop the new type of social relations, apart from doing a good job in the building of material civilization, the most fundamental measure is to educate the people in revolutionary ideals, morality and discipline and to oppose the corrosive influences of feudal and capitalist ideologies.

To build socialist spiritual civilization and strengthen ideological education, we must organize a mighty contingent of militant ideological workers able to persuade and act as a magnet for others and also mobilize the whole party and all people to enthusiastically plunge into the building of socialist spiritual civilization. Since ideological education in our party is the pillar of the building of socialist spiritual civilization in the whole society, so the leadership of the party and the exemplary role which the party members morally and ideologically play are of decisive significance.

To build socialist spiritual civilization and strengthen ideological education, we must do a good job in the various types of work, mainly in doing more to educate the masses of people, and first of all the cadres and youth, in Marxism-Leninism-Mao Zedong Thought and in history, morality and discipline; we must promote education in ideals, morality and discipline among the entire population, and first of all among the youth, within the next 5 years. In the last years, the mass activities for building spiritual civilization unfolded in the PLA and among the people in general should be developed and persisted in. We must bring about a fundamental turn for the better in standards of social conduct.

All of us must, through study, deepen our understanding, heighten our confidence and wage resolute struggle against the various unhealthy tendencies in society and the vile social evils in light of the actual conditions and make contributions in bringing about a fundamental turn for the better in standards of social conduct and in building socialist spiritual civilization.

CSO: 4004/5

OUR BANNER IS COMMUNISM

Beijing RED FLAG in Chinese No 19, 1 Oct 82 inside back cover

[Song with lyrics by Li Yourong [2621 0671 1369], music by Meng Xianbin [1322 2009 2430]]

[Text] With pride:

1. We are the boys and girls who are vigorously developing China,
   We have achieved glorious and heroic achievements
   And the ideal within our hearts
   Is communism in all its magnificence.
   Oh! Communism!
   Our great banner,
   You surge forward with greater strength than all the streams and rivers,
   You are more magnificent than the rays of the sun
   You encourage us to go and suffer and struggle
   In order to achieve internationalism
   Struggling until the end!

2. We have drawn up the blueprint for the four modernizations,
   We will cultivate the flower of effervescent culture,
   And the culture toward which we are heading
   Is that of glorious communism.
   Oh! Communism!
   Our radiant banner,
   You are more radiant than the crimson clouds,
   More breathtaking than the spring scenery,
   You encourage us to go and vigorously develop China,
   In order to achieve internationalism,
   Struggling until the end!

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END

JPRS 82391

6 December 1982

China Report

RED FLAG

No. 20, 16 October 1982

FBIS FOREIGN BROADCAST INFORMATION SERVICE

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6 December 1982

CHINA REPORT

RED FLAG

No. 20, 16 October 1982

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CONTENTS

The 12th CPC National Congress Will Lead Construction to Victory--On Understanding and Mastery of the Laws (pp 2-6)
(RED FLAG commentator).......... 1

Communists Must Strictly Observe Party Discipline (pp 7-10, 37)
(Zhang Yun).......... 9

Have Lofty Ideals, Good Morality and Knowledge, Observe Discipline (pp 11-15)
(Jia Chunfeng).......... 17

Excerpts From Speeches at a Forum on Studying the Documents of the 12th CPC National Congress (pp 16-28).......... 24

Strengthen Unity and Coordination, Do a Good Job in Scientific Research (pp 16-17)
(Lu Jiaxi).......... 24

Education Is an Essential Prerequisite for Building Material and Spiritual Civilization (pp 17-18)
(Peng Peiyun).......... 26

Cultivate Scientific and Technical Personnel With Communist Ideology (pp 18-19)
(Zhang Guanghou).......... 28

Educate the New Communist Generation in Proletarian Love (pp 19-20)
(Li Yanjie).......... 30

Building Socialist Spiritual Civilization Corresponds to the Desire of the Party and People (pp 20-21)
(Xu Xing).......... 31

Strengthen Education in Communist Morality (pp 21-22)
(Luo Guojie) 33

Strengthen and Perfect the Economic Responsibility System (pp 22-23)
(Zhou Taihe) 34

Planned Economy Is a Basic Feature of Socialist Economy (pp 24-25)
(You Lin) 36

Step Up the Study of Economic Structure for the Realization of Strategic Objectives (p 25)
(Sun Shangqing) 37

The Economic Program of the 12th Party Congress Reflects the Requirement of the Objective Economic Law (p 26)
(Liu Guoguang) 39

Uphold the Principle of Relying Mainly on the Planned Economy and Supplementing It With Regulation by Market Mechanism (p 27)
(Li Zhengzhong) 41

Build a Socialist Economic System With Chinese Characteristics (p 28)
(He Jianzhang) 42

Appropriately Pool Funds To Strengthen Construction of Major Projects (pp 29-33)
(Gui Shiyong) 45

The Two Civilizations Must Be Grasped Simultaneously (pp 34-37)
(Yuan Qitong) 54

Seriously Carry Out the Workers' Congress System (pp 38-41)
(Yu Yannan) 60

How To Study the Fourth Part of the Report to the 12th CPC National Congress (pp 42-45)
(RED FLAG Editorial Office for Theoretical Education) 67

How To Study the Fifth Part of the 12th CPC Congress Report (pp 45-48)
(RED FLAG Editorial Office for Theoretical Education) 75

Attention Should Be Paid to Ideological and Political Work Among Editorial Staff (p 49)
(Wen Zhao, Che Yanming) 82

THE 12TH CPC NATIONAL CONGRESS WILL LEAD CONSTRUCTION TO VICTORY--ON UNDERSTANDING AND MASTERY OF THE LAWS

Beijing RED FLAG in Chinese No 20, 16 Oct 82 pp 2-6

[Article by RED FLAG commentator]

[Text] In his recent talks with Comrade Kim Il-song, Comrade Deng Xiaoping said: "The role of the 12th congress is the same as that of our party's 7th congress. The 7th congress led the revolution to victory; the 12th congress will lead our construction to victory." This is a correct summary of the historical roles of the 7th and 12th congresses.

As for the view that the seventh congress led the revolution to victory, this has been proved by history and no comrade in our party disagrees with this view. However, are there good reasons for the judgment that the 12th congress will lead our construction to victory? What reasons is this view based on? Is it sufficiently well founded? In the first part of his speech at the 12th congress, Comrade Hu Yaobang answered these questions. In his opening speech at the congress, Comrade Deng Xiaoping pointed out: "Compared with the time when the eighth congress was held, our party's understanding of the law of our country's socialist construction is now much deeper, our experiences are much richer and our consciousness and steadfastness in implementing and carrying out our correct policies has been greatly heightened." Viewed from the implementation of the party's correct line and its series of principles, policies and measures, the question of what reasons form the basis of our judgment that the 12th congress will lead the construction to victory is precisely the question of whether we understand and grasp the law of socialist construction.

In his "Materialism and Empirio-Criticism" Lenin said: "As in any scientific field, in the epistemological field, we should also think in a dialectical manner. This means that we should not think that our understanding is fixed and will not change in the slightest; on the contrary, we should analyze by what means we can turn ourselves from knowing nothing to knowing something and from having an incorrect understanding to having a relatively correct understanding." ("Collected Works of Lenin," Vol 14, pp 98-99)

In the initial period following the founding of the PRC, our party led the people of all nationalities throughout the country to achieve, step by step, the transition from new democracy to socialism, rapidly recovered the national economy, began economic construction in a planned manner and basically completed the socialist transformation of the private ownership of the means of production in nearly all the areas in our country. The sober understanding of the social structure of China and of the trend of historical development enabled our party to creatively chart a path of socialist transformation suited to the special features of China. However, at that time, we knew very little about the law of socialist construction. This has now greatly changed. The first part of the report to the 12th congress expounds, from the angles of ideology, politics, organization, economy, cultural and educational undertakings, military affairs and party building, on the tremendous achievements we have scored since the 3d Plenary Session of the 11th CPC Central Committee in bringing order out of chaos in our actual work and in making a clear distinction between the rights and wrongs of our guiding ideology. Through summing up the rich experience of the past 30 years, our understanding of the law of socialist construction in China has already undergone a process from being incomplete and incorrect to being comparatively complete and correct. Compared with the time when the eighth congress was held, our understanding is indeed much deeper and more correct. No law can be understood and mastered at a single stroke. No one has ever been able to see through and skillfully master the internal relationships of things at first sight. This has never been possible. However, we can now safely say with pleasure that our understanding and mastery of the law of socialist construction has already in the main undergone a process from knowing nothing to knowing something and from incomplete, incorrect understanding to comparatively complete, correct understanding.

This process cannot be plain sailing. Often there are many twists and turns including the struggle between correct and erroneous ideas and the struggle of correct ideas to overcome errors. Just as Comrade Mao Zedong said in 1962 at the enlarged central work conference: "During the period of democratic revolution, only after comparing the two victories and two defeats could we understand the objective reality in China. On the eve of and during the war of resistance against Japan, I wrote some articles, such as 'Problems of Strategy in China's Revolutionary War,' 'On Protracted War,' 'On New Democracy' and 'Introduction to the Communist,' and drafted some documents on policies and tactics for the Central Committee. In all these writings, I summed up our revolutionary experiences. These articles and documents could only be produced at that time, not earlier, because previously we had not gone through the great storms of the two victories and failures and had not gained sufficient experience; therefore we could not have understood the law of the Chinese revolution." Similarly, "we must also undergo a process before we can understand the law of socialist construction. We must proceed from practice and gradually undergo the change from having no experience to having some experience and from having relatively less to having relatively more experience. In this way, our understanding will leave the realm of necessity in which we do not understand socialist construction. We will gradually overcome our blindness, understand objective law, thus obtaining freedom and enabling our understanding to enter the realm of freedom." "We should be prepared to suffer many setbacks and failures caused by our ignorance of the law in order to obtain experiences which will enable us to achieve final victory."

Law is invisible and untouchable, and we can understand and master it only in practice. If we act in accordance with law in practice, we will win victory. This will be beneficial to our understanding and mastery of the law. If we run counter to law in practice, we will suffer defeat. This will also help us understand and master the law.

In discussing his book entitled "Questions Concerning the Soviet Socialist Economy" Stalin said: "When a law has not been violated, it remains idle and no one knows where it is. It exists everywhere, but we do not know its existence." "Generally speaking, a law can only be felt when it is violated, but violation of the law will inevitably bring about evils." Here he expounded on the idea that the punishment that people incur when they go against the law enables them to draw lessons from their failure. We find many such examples in people's daily life. For instance, when there is enough air, we do not feel the existence of air or its indispensability to our survival. However, when we are shut in a room where there is not enough air, we will find it difficult to breathe, and then, it is very easy for us to realize that air is essential for our survival. In order to understand objective laws, we need negative experience as well as positive experience.

In a country like China, which is populous and has a long and complicated history, while leading revolution and construction, we cannot but make repeated comparisons of victory and failure in order to understand and master the law of revolution and construction. Only thus can we complete the process from knowing nothing to knowing something and from incorrect to comparatively correct understanding.

For every communist, it is a very severe challenge to adopt a proper attitude toward victory and especially toward failures. Our party and many comrades have the experience of being carried away by victory, losing their modesty and prudence. What should we do when we suffer a failure? We firmly oppose the practice of wavering, becoming dejected, deserting or even betraying the revolution because of failure. When the great revolution in 1927 failed, many comrades died heroically. They are heroes and deserve to be called communist fighters. We must always remember them and learn from them. Under Chiang Kai-shek's White terror, there were also some people who became dejected, and lost faith in the revolution. Some of these people dropped out of the revolutionary ranks or retired from public life. Others published confessions in Kuomintang newspapers and some others even became traitors. Purging the party of those who betrayed it will make our party stronger, purer and more combatworthy. Moreover, we have to handle correctly the problem of how we should treat those comrades who are still loyal to the revolution but have committed mistakes. We do not approve the adoption of any absolute attitude toward these comrades or the practice of being satisfied merely with putting the blame on a few individuals and holding them responsible for the failure. On the contrary, we should act in the way that Comrade Mao Zedong told us. We should concentrate our efforts on analyzing the background in which the mistakes were committed, the details of the mistakes and their social, historical and ideological sources, and adopt the policy of learning from past mistakes to avoid future ones, and curing the sickness to save the patient. It is a very unworthy "revolutionary" who becomes dejected, resorts to complaining and reproaching, is querulous and even refuses to carry out revolution any longer when the revolution suffers temporary setbacks. At the 11th congress of the Russian Communist Party (Bolshevik), Lenin said that the proletariat was not apprehensive of acknowledging the things that it had not done satisfactorily in its revolutionary cause as well as the things that it had done satisfactorily. He said: "We are not afraid to speak out about our weak points and we are capable of learning to overcome our weak points." ("Collected Works of Lenin," Vol 33, p 275) When we suffer a failure we should conscientiously sum up our experiences and resume work from the very beginning in a more prudent and persistent manner. Only this constitutes the revolutionary work style we communists must have.

In 1957 our country entered the period of all-round socialist construction. Since then, we have achieved great successes, but have also committed some mistakes, such as the expansion of the scope of the anti-rightist movement, the "Great Leap Forward," "struggle against right deviation" and especially the "Great Cultural Revolution" which lasted a decade and brought about the most serious setbacks and losses since the founding of our country. Our victories and failures have repeatedly educated us. The mistakes, setbacks and losses caused by our violation of the law of socialist construction have made us especially conscious of the importance of understanding and mastering the law and enabled us to draw even more profound lessons related to the understanding and mastery of the law. It is precisely because of repeated comparison between the victories we achieved and the failures we suffered after the 8th party congress that this 12th party congress was able to sum up the experiences of our victories, draw lessons from our failures, obtain relatively comprehensive views conforming to objective laws and formulate a correct line and a series of correct principles, policies and measures.

It is always the case that at first, only a few people understand and master the law; later, a relatively large number of people do so; and still later, most people begin to do so. It was Comrade Liu Shaoqi in Yanan who stated for the first time that we should respect the minority. This is an important idea that we have drawn from the historical experience of the Chinese revolution. Within our party, the law that governs the Chinese revolution was first understood and mastered by Comrade Mao Zedong and some other comrades of the old generation of revolutionaries. At first, there were only a few of these people. However, could the majority of the comrades within our party accept this correct understanding immediately, turning it into the common wealth of all the comrades in our party, without personally and repeatedly drawing lessons from both positive and negative experiences? Obviously, this was not the case. Our practice has already proved that Comrade Mao Zedong's understanding of the law of Chinese revolution and his ideas about the Chinese revolution are correct. Why, then, was he excluded from the central leading group after 1930 and especially after the time when the Provisional CPC Central Committee moved to the central soviet area? This was because at that time, most of the leading cadres did not realize that he was right. It was only after the failure of the fifth anti-encirclement struggle and at the Zunyi conference when most of the leading cadres recalled the victories achieved under the leadership of Comrade Mao Zedong and earnestly drew lessons from both positive and negative experiences that they began to admit that Comrade Mao Zedong was correct, and clearly acknowledged his leading position in the Red Army and the CPC Central Committee. It was only after the Zunyi conference and after the historical turning point which followed it that we began to achieve one victory after another in our democratic revolution and finally established the PRC. During the 30 and more years since the founding of the PRC, our understanding of the law of socialist construction has been deepening and improving step by step. The CPC Central Committee concentrated the correct understanding of all the comrades in our party and led our construction cause from victory to victory. The party Central Committee itself is a collective. Due to the fact that Comrade Chen Yun has been engaged in economic work for a long time, it is appropriate to say that he is one of the first people to understand the law governing important issues in socialist economic construction. The speech delivered by Comrade Chen Yun at the Eighth CPC Congress in 1956 was extensively praised inside the party. However, after the campaigns of the "Big Leap Forward" and "opposing right deviations," his correct ideas on economic problems no longer worked. Since the 3d Plenary Session of the 11th CPC Central Committee, some strategic decisions and important measures proposed by Comrade Chen Yun have been accepted by the central authorities and have been proved to be more and more effective in practical work. Thus, most of our comrades profoundly realize that they should learn from Comrade Chen Yun's methods for observing economic phenomenon and handling economic problems. The new party constitution adopted by the 12th party congress makes a clear stipulation on the issue of respecting the minority. Our party forbids any form of personality cult. We should ensure that the activities of party leaders are supervised by the people and at the same time uphold the prestige of leaders who represent the people's interests. Every party member and cadre must resolutely carry out in their actions the decisions of the Central Committee and the party organizations, but at the same time, be allowed to have reservations and present their opinions to the party organizations, and even to the Central Committee. Our organizational principle is that the individual should be subordinate to the organization, the minority subordinate to the majority, the lower level subordinate to the higher level and the whole party subordinate to its national congress and its Central Committee; but at the same time the opinion of the minority should be respected. In discussing and making decisions on problems, party organizations should conscientiously consider the different opinions of the minority. By so doing we will be able to overcome our one-sidedness.

Marx and Engels said in their "Holy Family" that historical movements constitute the cause of the masses and that along with the deepening of historical movements the ranks of the masses will inevitably expand. The process of historical development is precisely the process of the expansion of the ranks of the masses who understand and master the law of social development. The victory of the socialist cause has greatly promoted the progress of this development and has opened up a wide sphere for the broad masses of people to master Marxism--the most scientific and revolutionary theory--and thus become the masters of history. However, the masses of people cannot master the law of socialist society spontaneously. What has been proved by our practice is that in order to make the masses really master the correct line, principles and policies we should carry out the necessary propaganda, education and other work to enlighten them. This work should be carried out by adopting diversified methods in order to make it popular and acceptable, enabling us to guide the masses toward understanding and mastering the law through their personal experience.

It can be said that in all periods our cadres at all levels and on all fronts underwent positive and negative education and tests. What is especially heartening is that the college graduates and the cadres of similar educational standard whom we have trained since the founding of the PRC have grown up with the socialist cause. These people are at the prime of their life, know their profession well and have undergone positive and negative education and tests. Our cadres and our people are continuously making efforts to understand and master the law of socialist construction and an increasingly large number of them will become the conscious masters of the development process of history. This will enable them to play an increasingly important role in the development of our cause.

In his article entitled "Problems of Strategy in China's Revolutionary War," Comrade Mao Zedong pointed out that we should study the law of war, the law of the revolutionary war and the law of the Chinese revolutionary war. This means that we should study the problems related to the general and specific laws governing various categories and subcategories of wars. Similarly, we should also realize that we must study the law of construction, the law of socialist construction and the law of China's socialist construction. All the experiences that have been drawn on from the construction of other countries, especially that of other socialist countries, are important for us. We should assimilate the part of these experiences useful to us as reference. We should also enrich these experiences and develop them. However, we will be bound to fail if we mechanically copy these experiences. In the past, we copied the experiences of Soviet socialist construction. During the past few years, quite a few of our comrades affirm, without analysis, the experiences of certain foreign countries, but fail to pay attention to understanding and mastering the experience of China's socialist construction or to proceeding from China's reality. In his opening speech at the 12th congress, Comrade Deng Xiaoping said: "To integrate the universal truth of Marxism with the concrete realities of China, blaze a path of our own and build socialism with Chinese characteristics--this is the basic conclusion we have reached in summing up our long, historical experience." We should continue to research deeper into the general law of construction and of socialist construction. However, we should not be satisfied with the mere understanding of these general laws. We must understand and master the specific performance of these laws under China's conditions and we must understand and master the special laws governing China's socialist construction in different periods and spheres.

Our party is one which upholds struggle and action and a party characterized by the integration of theory and practice. Our understanding of objective laws is not only aimed at gaining the ability to talk about, or obtain academic knowledge of them. For communists, the correct understanding of objective laws is aimed at observing the requirements of objective laws to make revolutionary changes to the world and lead the people to promote the development of history. Therefore, our correct understanding of these laws must lead to the formulation of the correct line, principles and policies and to the action of leading the masses of people, through our party, to implement them.

It is precisely because we have to combine our understanding with the conscious activities of the masses, in creating history that having mastered the theory, we should return to practice and apply the theory to our actions. Therefore, it is insufficient to have only a general line. We must also solve the problems concerning the actual implementation of the general line on various fronts and in all the areas of our work. This is an important difference between the 12th congress and the 8th congress. The line formulated by the 8th congress was correct, though it was not clear, definite or perfect. However, the concrete measures for implementing this line on all fronts and in all areas of our work had not yet been discussed at that time. At the enlarged central work conference, Comrade Mao Zedong said that in carrying out both revolution and construction our party must have a wholly convincing general line suited to objective conditions. However, we had also to formulate, under the guidance of the general line, a series of appropriate and concrete principles, policies and methods related to our work in all fields including industry, agriculture, commerce, education, military affairs, politics and party affairs. Only when we had formulated these principles, policies and methods, could we educate our cadres and masses, unify their understanding and enable them to do their jobs well. These words remain completely correct even today. The reason why the seventh congress led the revolution to victory is because it formulated not only a general line for the new democratic revolution, but also a series of principles, policies and methods for actually carrying out this general line on all fronts and in all our work. This enabled us to unify the thoughts and actions of the whole party after the seventh congress and quickly defeat Chiang Kai-shek. The report to the 12th congress puts forward our party's general task in the new historical period, that is, "to unite the people of all our nationalities to work hard and independently to achieve, step by step, the modernization of our industry, agriculture, national defense and science and technology and to make China a culturally advanced and highly democratic socialist country."

With regard to the understanding and mastery of the law of socialist construction, we have undergone the process from knowing nothing to knowing something and from incorrect to comparatively correct understanding. We have experienced both victory and defeat in this respect and have summed up both positive and negative experiences. More and more of our cadres and people have come to understand and master this law to varying degrees. In practice, we have gradually come to understand the law of socialist construction in general and the special law governing Chinese socialist construction. We have a more definite and complete general line and have worked out a series of guiding principles, policies and methods suitable to various fronts, quarters and work. All of this guarantees that we will win still greater victory in our cause.

When discussing commanding battles, Comrade Mao Zedong said that the reason why people make mistakes in commanding battles is that their deployment and command in war and battles are not suited to the conditions of the time and place, and their subjective guidance is not suited to actual objective conditions; in other words, they fail to solve the contradiction between the subjective and the objective. For a revolutionary, solving the contradiction between the subjective and the objective is a very important task. It is inevitable that people will have different levels of ability. Militarily, doing a good job requires more victories and less defeats. For any party or individual, there is never complete accordance between the subjective and the objective. However, it is possible to achieve relative or basic accordance between them. If this is achieved, we will be basically, or on the whole, correct. Our understanding and mastery of the law of socialist construction will be further perfected and corrected in our practice. Just because of this, we can ensure that we will commit few mistakes or avoid committing big mistakes and that we will discover and correct our mistakes quickly.

In short, at present, our party, our party Central Committee and most of our cadres have a deeper understanding of the law governing our country's socialist construction compared with the period of the Eighth CPC Congress. Thus, we may conclude that the view that the 12th CPC Congress will lead construction to victory is expressed on a completely scientific basis. We shoulder the great task of the creation of a new overall situation in our socialist modernization. Let us continue to enrich and deepen our understanding of the law of socialist construction in order to score new historical achievements and new victories!

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COMMUNISTS MUST STRICTLY OBSERVE PARTY DISCIPLINE

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[Article by Zhang Yun [4545 5686]]

[Text] From the day a man gets his Communist Party membership, he is not exempt from the necessity of observing the following regulations: "Individual party members are subordinate to the party organization, the minority is subordinate to the majority, lower party organizations are subordinate to the higher party organizations, and all the constituent organizations and members of the party are subordinate to the national congress and the Central Committee of the party." These four regulations are, on the one hand, the basic principle of the party's system of democratic centralism. They are, moreover, the iron discipline built on the base of the party members' high degree of consciousness. With Marxism-Leninism-Mao Zedong Thought as its guide to action, the CPC relies on this organizational principle and discipline to keep the ranks in good order and in step and ensure the implementation of the party's line, principles and policies in different historical periods. In this way, the CPC leads the people of the whole country to overcome the difficulties and hardships on our road and to continuously win new revolutionary and construction victories. In July 1982, at a seminar, Comrade Deng Xiaoping rightly pointed out: "Without discipline, it is impossible to dedicate ourselves heart and soul to the same cause. In the past, we relied on discipline to start a revolution. The discipline we relied on was a discipline based on political consciousness. Since the founding of the CPC, this has been the best practice."

The new party constitution passed by the 12th CPC National Congress imposed strict ideological, political and organizational demands on party members and cadres. These demands are stricter than the ones imposed by the former party constitutions. The new party constitution has placed the problem of strengthening party discipline in an extremely important position and has made some important new provisions. These have important significance for the party in power in the new historical period.

To Conscientiously Observe Discipline Is an Expression of Strong Party Spirit

The general program of the new party constitution makes the adherence to democratic centralism as "one of the three essential requirements" that must be achieved in order to "strengthen party building, carry forward the party's fine traditions and enhance the party's combat strength." In addition, it demands that, within the party, democracy be given full play, a high degree of centralism be practiced on the base of democracy and a sense of organization and discipline be strengthened, so as to ensure unity of action throughout its ranks and the prompt and effective implementation of its decisions. Chapter I of the party constitution clearly stipulates that party members should "accept the party's program and constitution," and should also, "join and work actively in one of the party's organizations, carry out the party's decisions and pay membership dues regularly," "conscientiously observe party discipline and the laws of the state." Chapter VII of the party constitution clearly stipulates that "a Communist Party member must consciously act within the bounds of party discipline." In addition, it has made concrete provisions for the maintenance of party discipline. The question of whether or not the provisions of the new party constitution are being strictly implemented is closely related to the question of whether the Marxist-Leninist principles of party building and party organization are being adhered to and of what our party is being built into. All comrades must take this large problem seriously. We must most certainly not trivialize it.

We all know that as early as 1902 to 1904, when Lenin started to build the Russian Social-Democratic Labor Party (later, it was changed to the CPSU), he was engaged in a heated debate with Martov on the question of what kind of party should be built. At that time, Lenin and his comrades-in-arms defended the Marxist principle of the party's role, adhered to the ideas that the party had to be the advanced, conscientious and organized vanguard of the working class and that only those who accepted the party's program, supported the party materially and joined in one of the party organizations could become party members. He strongly opposed recruiting those who accepted the party's program but were unwilling to join in one of the party organizations and who did not, in fact, observe discipline, as members. The clique represented by Martov agreed that to accept the party program and to support the party materially should be the necessary condition for membership, but they did not accept that joining one of the party organizations and observing party discipline should also be a condition for membership. To counter the worship by people like Martov of the spontaneity of the labor movement and their attempting to appease the Russian intellectuals' fear of the proletarian sense of discipline and organization, Lenin clearly pointed out: "In the end, it is a matter of choosing between two alternatives: consistent application of the principle of organization, or the sanctification of disunity and anarchy." ("Selected Works of Lenin," Vol 1, p 456) The debate over the organizational principle for party building ended in the victory of Lenin's correct views and stand. The Bolshevik Party, which was built in accordance with Lenin's principle of party building, through arduous struggles, succeeded in gaining victory in the October Revolution and thus ushered in a new era in human history.

Our party was built in accordance with Lenin's principle of party building. In his essay, "On the People's Democratid Dictatorship," Comrade Mao Zedong tells us that our party has "three principal weapons to defeat the enemy."

The first of these is: "a well disciplined party, armed with the theory of Marxism-Leninism and using the method of self-criticism, which is linked to the masses of the people." ("Selected Works of Mao Zedong," Vol 4, p 1417) In addition, of the four notable characteristics of the party, he puts "disciplined" in the first place. In the crucial moment of the third revolutionary civil war period, Comrade Mao Zedong's mobilization order, with its unique style, placed "strengthening the sense of discipline" side by side with "the troops' advancing and one inch of growth in production" and considered them the necessary conditions for "constant and regular victory in revolution." The now widely known "The Three Main Rules of Discipline and the Eight Points for Attention" song emphasizes from the start, that "victory can be won only by keeping in step." Our party has successfully led China's revolution and construction from victory to victory. This fact cannot be separated from our party's adherence to Lenin's principle of party building and strengthening the sense of organization and discipline.

Every party member should, through the study of party history and the study of Lenin's and Comrade Mao Zedong's theory of party building, particularly the discussions on discipline, strengthen his understanding of the tremendous importance of party discipline. He should establish the firm concept of discipline and thoroughly understand that adherence to democratic centralism and the strengthening of party discipline is the key to organizationally maintaining and consolidating the party's high degree of political and ideological consistency, implementing the correct line, principles and policies of the party and promoting the party's combat strength. An important aspect in strengthening the training on the party members' party spirit is to continuously strengthen our sense of organization and discipline in revolutionary practice. Through conscientious observance of party discipline, our strong party spirit is shown. Only those who can achieve this can be called qualified Communist Party members. Those who disregard organization and discipline and stick to their old ways of doing things are not qualified to be Communist Party members. They cannot remain in the party.

Set Strict Demands With Regard to Major Issues and Do Not Deviate From Standards With Regard to Minor Issues

The discipline that should be observed by Communist Party members includes many things and there are many aspects to it. However, we can summarize it in two points: 1) what should be done, what is allowed to be done; 2) what should not be done and what is not allowed to be done. That means, we must conscientiously exert all our strength to do things beneficial to our party, the state and the people in accordance with the party's resolutions and demands. Moreover, we should also influence and mobilize other people to do the same thing. All the things which are not beneficial to the party, state and people must be those things not allowed by party discipline and the laws of the state, so we should resolutely not do them. In addition, we should supervise and warn other people not to do them and be brave in the struggle against the acts which violate party discipline and laws of the state.

On this point, the problem of how to handle major and minor issues should be emphatically discussed.

Basically, the major concern of a Communist Party member is to unswervingly adhere to the demands of the "admission oath," keep a firm proletarian revolutionary stand and dedicate his life to struggling for the implementation of the communist ideal. At the present stage, the major issue is to adhere to the socialist road, people's democratic dictatorship, leadership of the party and Marxism-Leninism-Mao Zedong Thought, to keep political consistency with the Central Committee and to unswervingly implement the party's line, principles and policies since the 3d Plenary Session of the 11th CPC Central Committee, especially the program to create a new situation in all fields of socialist modernization passed by the 12th CPC National Congress. It is necessary to protect the unity and unification of the party in the same way we protect our eyes, strictly observe the party constitution and the "Guiding Principles for Inner-Party Political Life" and struggle against all unhealthy tendencies inside the party and acts which violate party discipline and laws of the state and which endanger the party's cause. If a Communist Party member can make strict demands on himself in these major issues and not be influenced by his own emotions and the prevailing tendencies, he has observed the party's discipline in the political sense.

The party demands that every party member take a strong stand on major issues. In addition, he should also be careful about minor issues. For instance, everybody must straighten their ideological style, work style and life style, manage love, marriage and family life well, be upright and fair in handling people and business, under no circumstances commit crooked acts, refrain from the vulgar "study of connections," not pursue privileged living and not become corrupt, degenerate and so on. In other words, with regard to minor issues, it is also necessary to set "strict demands on ourselves" and not deviate from the standards of the party constitution and the "principles."

With regard to the major and minor issues, one is primary and the other secondary, but there is not a sharp line of demarcation between the two, they are interlinked. In the past, there was a popular saying: "A gentleman disregards the minor issues." It seems that as long as things are not going too badly with the major issues, it is all right and the minor issues are of little importance so it is not necessary to be too strict. Some find the excuse of "no gold is 100 percent pure, no man is perfect" to console themselves and have an easy conscience in "disregarding the minor issues." This is incorrect.

1. We materialists accept the objective fact that "no gold is 100 percent pure and no man is correct." In selecting and appointing people to posts, it is correct "not to discard a huge piece of timber just because one inch of it is rotten." Our comrades should be "lenient and forgiving in treating people" and not be too testy and critical. But, every party member should "set strict demands on himself," not be satisfied with being "basically qualified" or "barely qualified," compare himself with others

and spur himself on to a high standard and become a qualified Communist Party member. This is certainly possible. The countless revolutionary martyrs are our models. The emerging advanced people on all fronts are also good models for us to follow. Is there any reason not to strive in this direction?!

2. As far as development is concerned, small things can become great. "If a small hole is not mended, it becomes a big hole with a diameter of 1.5 chi," "one ant hole may cause the collapse of a thousand-li dike," such sayings vividly depict the importance of checking erroneous ideas at the outset. Inside our party, there are people who become morally degenerate. This starts with their "disregarding the minor issues." We have enough of such lessons. It is hard to imagine a Communist Party member having a dual personality, being devoted heart and soul to public interests in political life, but in private life being heart and soul devoted to private interest. In other words, he has no communist morality in his life, he is infected with the foul odor of the extreme individualism of the exploiting class, his valley of greed can never be filled, he leads a fast life. However, in political life, faced with major issues of right and wrong, he takes a clear-cut stand and devotes his life to implementing the communist ideal. Like water and fire, these two are incompatible, how can they "peacefully coexist"?

3. Our party is based in society and party members carry out their activities among the masses. The party's image formed in people's minds and the party's prestige determine whether the party's line, principles and policies are correct and whether they are advantageous to people. In addition, to a great extent they determine the activities of the party organizations at all levels and the performance of every party member. The masses not only "listen to their words" but also "observe their behavior." If the party organizations at all levels and every party member can meet the demands imposed by the party: proceed from the people's interests in all aspects, "be the first to be concerned about what should be worried about and be the last to enjoy themselves," think what the masses think about, be eager to meet the needs of the people and play an exemplary and leading role in all aspects, fear neither hardship nor death in upholding the cause of the party and the people, persistently think and act in one and the same way and be as good as their word, then, the people would wholeheartedly love and support the party and forever follow the party. However, if the party organizations and party members do not act in accordance with the party's demands, or even act in ways contrary to the party's demands, use discipline to deal with people but do not themselves keep within its bounds, speak in high-flown phraseology but fail to carry out their pledges, at every turn think of themselves before others and not be concerned about the people's welfare and suffering, "strive for fame in the central government and strive for wealth when they are out of it," have much interest in acting like high officials and overbearing bureaucrats and seriously cut themselves off from the masses, then, what remains of the party's prestige among the masses? Under such conditions, all magnificent ideals and plans cannot be realized. Thus, speaking of keeping the close ties between the party and the masses, it is necessary for party members to pay attention

to both the major and minor issues and to conscientiously observe party discipline in both aspects.

Strive To Form Habits So That They Become Natural to You

Many of our old party members have a commun understanding that it is not difficult to observe discipline in doing something once, but it is difficult to observe discipline under all circumstances and conditions everywhere and at any time. But, this is exactly what the party and the masses require of us, which means it is necessary for us to play an exemplary role in observing discipline everywhere and at any time. What shall we do? The most important thing is to strengthen the training of party spirit, establish a firm concept of discipline, continuously promote our consciousness in observing discipline and strive to form a habit so that it becomes natural to us. In my 57 years of revolutionary practice, I have tried to find an answer. My conclusion is that principally it is necessary to make vigorous efforts in the following aspects:

1. Know the rules. It is necessary to vigorously grasp study, strive to familiarize ourselves with the party's program, the party constitution and the party's concrete rules and regulations (for instance, the "Guiding Principles for Inner-Party Political Life" and others), the line, principles and policies of the party, the resolutions, provisions and system of the party in all aspects, strive to have a pretty good idea of them and to speak and act in accordance with them. Otherwise, we can have no idea of what is right, what is wrong, what can be done and what cannot be done. In such a case, we are blind. We do not have anything to follow in doing or saying things. We are like a blind man who walks on the road. He bumps into a wall or falls on the ground, but he does not know why. In this way, how can we have consciousness in observing discipline and how can we play an exemplary role in observing discipline?

2. "Be watchful over oneself when one is alone." This is a piece of Confucian jargon from Chinese history, which means: Even when one is alone, one should be careful and observe moral principles. In his work "How To Be a Good Communist" Comrade Liu Shaoqi made use of this piece of jargon, he demanded that every Communist Party member: "Even when he is working on his own without supervision and is therefore in a position to do something bad, is just as 'watchful over himself when he is alone.'" In the period of the revolutionary war and in the 30 years since the founding of the PRC, many facts tell us that normally, when a party member violates discipline, he is not engaged in collective activities, or being watched by people everywhere. A party member violates discipline when he leaves the collective, when he carries out a task alone or when he is temporarily not under the supervision of the organization and his comrades. This tells us that under the latter conditions, it is all the more necessary for our party members to have firm revolutionary conduct and consciousness in observing discipline. Otherwise, it is easy for us to do something wrong. Exactly for this reason, we should strengthen ideology, consciousness and organization discipline training and cultivation so as to enable our party members to act the same whether alone or in living in the collective and to act the

same way whether they are free of supervision or whether they are being supervised by the organization or the comrades. In the Ming dynasty, Yu Qian wrote a poem "Song of Limestone." The poem said that people should be like limestone, which is not afraid of being ground to dust although it is hammered thousands of times and burned. As a result, limestone keeps its whiteness and purity. We communists can do not only that, we should be able to do better.

3. Self-examination. That means, it is necessary to master Marxist-Leninist weapon of criticism and self-criticism. Just as every day we wash our face and sweep the ground, we should always examine our conscience, see if we have performed acts and said things which violate party discipline and in an open-minded fashion ask for and listen to the opinions of others and welcome the supervision of the organization and the comrades. Whenever we discover our shortcomings and faults, we should determinedly correct them at once and should absolutely never shield them. The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" passed by the 6th Plenary Session of the 11th CPC Central Committee is an example of the communists' being practical and realistic in carrying out self-criticism. "It is not easy to rectify the party spirit, but it is even more difficult to carry out self-examination." When Comrade Chen Yi was still alive, he had a deep understanding of this problem. In his two poems "Qigu: The Hands Do Not Extend" and "Revealing My Mind on My 63rd Birthday," he talked of the proper attitude one should have in self-examination. What he said were words from the bottom of his heart. "Whenever I discover my mistakes, I am delighted and I am enlightened when I have painstakingly corrected them," "the best policy is to have courage, correct the mistakes and march forward again." ("Selected Poems and Songs of Chen Yi," People's Literary Publishing House, pp 89, 328, 330) When we carry out self-criticism, we should have such an attitude.

Make persistent efforts to know the rules, be watchful over ourselves when we are alone and criticize ourselves. In this way, we cannot feel that we are incompatible with the party's discipline and are unaccustomed to it. On the contrary, we can take the observance of discipline for granted and gradually form a habit so that it comes naturally to us. In this way, we can march from the realm of necessity to the realm of freedom.

At present, we are building a high level of material civilization. We should also strive to build a high level of socialist spiritual civilization. "Observance of discipline" is an important content in building a spiritual civilization. Lenin said: "Every new social order demands new relations between man and man, a new discipline.... With the beginning of the socialist revolution, discipline must be built on entirely new principles; it must be a discipline of faith in the organizing power of the workers and poor peasants, a discipline of comradeship, a discipline of the utmost mutual respect, a discipline of independence and initiative in the struggle." ("Collected Works of Lenin," Vol 27, p 481) In our building of socialist spiritual civilization, it is necessary to establish and observe such discipline. When there is such discipline and when all of us observe such discipline, we can have normal party political life and normal political life in the entire state, we can have a stable and united political situation and good social order, we can fully promote the creativity and initiative of all the people and we can make the people and all the comrades of the party bravely march with one heart and one mind in the direction of building a modernized socialist state under the unified leadership of the Central Committee. Thus, Communist Party members should be the first to achieve what we ask the masses to achieve and the Communist Party members should resolutely not do what we ask the people not to do. In other words, if the Communist Party members want to be the vanguard of the construction of spiritual civilization, they must first of all strictly observe party discipline.

The 12th CPC National Congress has sounded the bugle call to create a new situation in all fields of socialist modernization. In order to more vigorously lead the people of the entire country to implement this magnificent program in the new period, our party will carry out an overall rectification of the work style and organization of the party. One of the important issues in party rectification is to further strengthen the party members' sense of discipline and sense of organization. I am an old member of the party, I am old and ailing like a candle flickering in the wind, but my heart is as stout as ever and I am unwilling to lag behind. I am willing to accept an overall examination of the party together with other comrades of the party. In addition, I will, in accordance with the demands of the new party constitution, continue to strengthen the study of theory and training of party spirit so as to uphold my revolutionary integrity in my later years and make myself worthy of the name of a Communist Party member. In observing party discipline, I am willing to encourage and supervise and be encouraged and supervised so as to strive together with other party members to play an exemplary role in observing discipline.

CSO: 4004/6

HAVE LOFTY IDEALS, GOOD MORALITY AND KNOWLEDGE, OBSERVE DISCIPLINE

Beijing RED FLAG in Chinese No 20, 16 Oct 82 pp 11-15

[Article by Jia Chunfeng [6328 2504 1496]; passages within slantlines published in boldface]

[Text] In his report to the 12th CPC Congress, Comrade Hu Yaobang raised socialist spiritual civilization with communist ideology as its core as an important characteristic of the socialist system and strategically expounded the position and role of building spiritual civilization in the building of socialism. At the same time, he profoundly elaborated the two aspects of building spiritual civilization, that is, the dialectical relations of cultural and ideological building. This undoubtedly has great significance on the theory and practice of scientific socialism.

Like social civilization, spiritual civilization is a historical process of continuous development. By civilization, we mean the progress level and state of human society, including the two component parts of material civilization and spiritual civilization. We often talk about developed education, prosperous science, flourishing culture, and people's high political consciousness, firm belief and ideals, lofty morality and sentiments, devoted spirit, enhancement of sense of discipline and so on. These are all the manifestation of spiritual civilization. Before the emergence of the socialist system, spiritual civilization under the three kinds of social systems--slave, feudal and capitalist--were divided into class by private ownership and society and was restricted by the existence of exploitation. Therefore, it is inevitable that they have their historical and class limitations. Socialist society is a completely new stage in the development of human history. Under the socialist system, we are not only capable of inheriting all the outstanding achievements of culture and social morality of the past, but also capable of establishing an entirely new spiritual civilization which is fundamentally different than that of any former period. To sum up, this new type of socialist spiritual civilization is to train and bring up socialist new people with revolutionary ideals, morality, discipline and culture, among which revolutionary ideals are the spiritual mainstay, revolutionary morality is the norm, revolutionary discipline is an indispensable guarantee and culture is an important condition. The close integration and mutual complement of these aspects commonly indicates the requirements of the basic economic and political system of socialism on the political consciousness, spiritual state, moral features and cultural cultivation of its social members.

/The spiritual state of our country and people is judged, first of all, by whether or not our people have revolutionary ideals and are encouraged by these ideals, and vigorously and effectively engage in the building of the socialist cause./ Ideals are people's social political standpoint and their world outlook centrally manifested in their fighting objective. It shows that people cherish and yearn for the glorious future. Different eras and classes have different world outlooks and people have different ideals. The proletariat is the most advanced and revolutionary class in human history. Communism--the great ideal of the proletariat and its vanguard, the communist party--reflects the inevitable trend of the development of history. Therefore, it has the greatest calling and mobilizing strength. The great ideal of communism will surely be attained. This is an objective law independent of man's will. But the road toward communism is arduous and tortuous. Whenever the revolutionary cause of the proletariat suffers temporary setbacks and needs most the encouragement of revolutionary ideals, there are usually some weak-willed people who waver in communist ideals and bring about a sense of illusion. This is a repeated phenomenon in the history of revolution. Meanwhile, historical facts teach us again and again that those who give up communist idealism at a time when the revolution suffers setbacks and fall behind the revolutionary ranks will certainly be eliminated by the historical trend. Only by adhering to revolutionary ideals and inspiring revolutionary enthusiasm can we once again follow the revolutionary cause and march toward the glorious future. Whether in revolutionary success and development or during temporary revolutionary setbacks, our veteran party members and revolutionaries adhere to communist ideals and have great determination, are fearless of sacrifice, plunge through fire and water and fight heroically to attain this ideal. Today, inspired and encouraged by this great ideal, the broad masses of party members and people are also using their creative work and labor to do their little bit to build communism. Historical and present facts have effectively proved that communist ideals are the powerful ideological strength for the victory of the people's liberation cause, and are the spiritual mainstay of the solidarity and militancy, hearts and minds of our people and country and the revolutionary soul fostering the continuous development of our socialist cause and opening up a bright future.

/Morality is closely related to ideals; to have ideals is to have morality. A country full of revolutionary idealism is bound to have revolutionary morality and customs. A man fostered with revolutionary ideals will consciously conform his deeds with revolutionary morality. On the contrary, those with illusions usually forfeit morality./ Ideology, principles or morals are not without foundation. Their emergence and development all have a profound social economic root. Communist morality is determined by the class status, class nature and historical tasks of the proletariat. It is impossible to expect every social member to be a communist at the present stage. But our socialist system is based on public ownership which regards the highest stage of communism as its objective. Therefore, we must energetically propagate and propose that the whole society use communist morality as a norm of action for adjusting relations between men and between man and society. It is also imperative to educate party and league members and all advanced elements with communist morality and through them educate and influence the broad masses. The basic principle of communist morality is the principle of collectivism loyal to the communist cause; the devoted spirit of serving the people and a communist labor attitude. This principle expects people to insist that the interests of the people and the socialist motherland be superior to the interests of the individual, and whenever they contradict, the interests of the individual should unconditionally be subject to the interests of the people and the state. This principle also demands that people unite as one, help and love each other, fight and advance together, respect and enjoy comforts after others, find pleasure in helping people and sacrifice one's own interests for the sake of the people, masses and public in their work, labor and social life. All these have manifested in various respects the principle of collectivism that people should adopt toward the interests, cause and activities of the whole.

Morality covers a lot of ground; it includes professional morality of various trades and professions. Engels once pointed out: "As a matter of fact, each class and each trade has its own morality." ("Selected Works of Marx and Engels," Vol 4, p 236) Professional morality is a summarization of the norm of behavior of people's own peculiar work and labor engaged in a certain profession. This type of morality has the characteristics of certain concrete professions or trade activities. Different professional morality reflects the professional psychology, habits, tradition and responsibility formed according to different professions and trades and represents certain differences of moral behavior and consciousness caused by different professions and trades. Professional morality is related to the development of the division of labor in society and has a long formation and developmental history. In our country, professional morality is a necessary complement and concreteness of the principle and norm of our revolutionary morality. In the past few years, along with the work of bringing order out of chaos in the field of moral ethics in our country and along with the development and restoration of the fine tradition and work style of our party and country, professional morality in various trades and professions is being established and perfected under the unified guidance and influence of the principle of communist morality, such as service regulations in service trades, village rules and regulations in rural areas, scientific moral standards for scientific and technological workers, regulations for literary and art workers and so on. Our socialist modernization cause is a cause of a whole that is complicated and coordinated. With its different methods, each profession joins with the entire socialist modernization cause and serves the entire socialist cause and the people. Society has its special requirements for the various professions. Professional morality determines the specific responsibility the people of different professions must undertake in the entire socialist modernization cause. This is favorable for impelling the sense of honor and dedication of people to hold fast at their posts, to bind people to observe certain professional order and discipline, to encourage people to unite and cooperate, perfect their skills and gain professional proficiency, and to raise their working capability and efficiency, and labor techniques and efficiency. Facts show that under the guidance of the principle of communist morality, proceeding from the needs of the profession and meeting the concrete conditions and accepting the capability of the profession, and by adopting easy and effective, vivid and vital methods, the professional morality formulated and perfected by the various trades and professions has and will play a greater role in developing socialist spiritual civilization, thus further attaining the stability and unity of society and doing a good job in the building of all fields of socialist modernization.

/Revolutionary discipline is a manifestation and guarantee for revolutionary ideals and morality. There is unity in having ideals, morality and observing discipline, whereas forfeiting ideals, degenerating morality and violating the law and discipline are also grouped together./ This is a truth of real life. Anyone who sabotages social morality must be censured by public opinion and when the case has developed to a certain seriousness, he must be punished according to state law and discipline. Legality, discipline and morality belong to the category of the norm of behavior. Morality depends on public opinion, people's faith, traditional customs and educational influences to maintain and exert its role; whereas state law and discipline depend on administrative execution and compulsory means to maintain and exert their role. These two roles complement each other in society; neither can do without the other. The realization of revolutionary ideals and the exertion of revolutionary morality are both guaranteed by law and discipline. Our party, army and people have always had the tradition of observing discipline. What do the unity and powerful fighting capacity of our party and the implementation of the party's principles and policies depend on? One of the most important factors is firm discipline. Our fine tradition of observing discipline was seriously sabotaged in the 10 years of internal disorder. The building of socialist spiritual civilization carried out at present is precisely for the purpose of resuming and promoting this fine tradition. There is party, political and military discipline; there is discipline for each factory, production team, shop, school, leading organ and mass organization, and there is also professional discipline for all trades and professions. Freedom and discipline are unity of opposites. This is also the case with right and duty; none of them must be separated. Our people enjoy freedom and rights within the limits of the constitution and law, but they must also be consciously bound by discipline. Only in this way can the whole society be a coordinated whole unit, can all parts of society organically cooperate with each other and form into a fine production, work, study and life order and ensure the smooth progress of the building of socialist modernization.

/Knowledge is an important aspect in the substance of socialist spiritual civilization and also an important condition for forming scientific ideals and belief, lofty moral sentiments and a conscious sense of discipline./ We cannot build socialism or attain the lofty ideal of communism by relying on illiterate or semi-illiterate people. Long ago Engels said that the socialist cause of the proletariat needed lawyers, "and also doctors, engineers, chemists, agronomists and other specialized personnel, because we must not only administer the political apparatus, but also administer the entire social production. Therefore, what we need is not beautiful words but abundant knowledge." ("Collected Works of Marx and Engels," Vol 22, p 487) Marx and Engels specially stressed that only by developing education can we train people who are developed in an all-round way. Lenin pointed out: "We must build socialism by retaining all the culture left over by capitalism. We must retain all the science, technology, knowledge and art. Without these, we cannot build communist society." ("Collected Works of Lenin," Vol 4, p 348) Stalin once sneered at the innocent mood of praising their own illiteracy and sharply pointed out: "I hold that we simply cannot make any progress without eliminating these savage and uncivilized phenomena and the savage attitude toward science and learned people. The working class cannot genuinely become masters of their country if they do not free themselves from illiteracy, bring up their own intellectuals, master science and manage the economy according to scientific principles." ("Collected Works of Stalin," Vol 11, p 64) The building of socialist modernization has put a higher demand on the people's level of cultural and scientific knowledge. Without constantly raising the level of scientific knowledge of the whole society, it will be impossible to attain the grand objective of building modernization, it also will be unfavorable to the formation, consolidation and development of scientific ideals and belief and revolutionary morality. With knowledge, people can thoroughly understand the law of social development, consciously master scientific world outlook and methodology and be developed in an all-round manner. To be sure, while developing culture and raising the educational level of the people, we must adhere to the guidance of Marxist scientific theory, and eradicate the influence of capitalist, feudal and reactionary decadent culture. In the light of class struggle still existing within certain limits in our society, class struggle in the international field will inevitably find expression in our country. The serious cultural smuggling is a phenomenon not to be ignored. The decadent culture of capitalism, such as films, cassettes, periodicals, photographs, records and so on with brutal, reactionary, degenerate and obscene substance is bound to contaminate our social mood, poison the people's souls and cause revolutionary idealism to waver, corrode revolutionary morality and disintegrate revolutionary discipline. To resist the corrosion of capitalist and reactionary culture is necessary in order to safeguard and develop the basic economic and political system of socialism and build socialist spiritual civilization and enable people to have ideals, morality, culture and to observe discipline.

In our socialist society, the system of exploitation no longer exists. In the means of production, public ownership has replaced private ownership. We have attained the principle of distribution according to work and the fundamental interests of the whole people coincide. This determines that our people can increasingly form common revolutionary ideals, morality and discipline and consciously develop culture in the whole society. But this does not mean that the establishment of the basic economic and political system of socialism will enable the whole society and every member of society to spontaneously have such common revolutionary ideals, morality and discipline and spontaneously maintain it forever. In order to enable more and more members of society to become laborers with ideals, morality, culture and who observe discipline, we must consciously carry out a series of painstaking and untiring efforts when confronting new conditions and problems emerging at any time. We must clarify muddled ideas and erroneous understanding of some people in their ideals, morality, discipline and culture.

/It is necessary to understand the relationship between adhering to communist ideals and morality and carrying out the present economic policy./ Since the 3d Plenary Session of the 11th CPC Central Committee, we have adopted the policy of opening to the outside world and enlivening the domestic economy. Facts have proved that by carrying out this policy, we have achieved marked results in vigorously developing our national economy. We must fully affirm this achievement. But, we must also be fully aware that "opening" and "enlivening" has put forward a new question on adhering to the education of communist ideals and morality. For example, some people say: "Idealism is vague and remote; it is better to be practical!" To these people, preaching idealism is but empty words; it is not as good as having benefits, such as bonuses, housing and furniture. Is communism remote and an empty thing? As a social system, the complete realization of communism is, of course, a future matter. But as a movement, it started long ago with the founding of our party and the consequent new democratic revolution carried out throughout the nation. At present, we have developed to the initial stage of communism--socialist society. The work and life of each of us are closely related with the gradual realization of communist ideal. From this point of view, communism is not a vague and remote thing that is within sight but beyond reach, but closely linked with the destiny of each family and individual. With regard to "benefit," we certainly do not reject personal benefit. We have always stressed giving consideration to the state, collective and individual. But here we have a problem of how to correctly put in the relationship between present and future, individual and society, and the state, collective and individual. If we reject communist ideals and engage in "everything for the purpose of money," advocate the so-called "people die for wealth, and birds die for food" and infuse our minds with egoism, then we will lose our ability to resist sugar-coated bullets, confuse our objective and forfeit our revolutionary will and fighting strength; all kinds of unhealthy tendencies and dishonest practices will expand and the phenomena that only existed in the old society will be revived. In this way, the whole society forfeits its revolutionary vigor and vitality. How then can we guarantee the socialist orientation in the building of modernization?

Our present economic policy, formulated and executed under the guidance of communist ideals and world outlook, is a concrete step and measure for attaining the great objective of communism. These two do not contradict but complement each other. We should neither immediately implement policy for the higher stage of communism, just because we practice the communist ideological system, nor abandon communist ideological education because we are implementing the present economic policy.

/It is necessary to correctly handle the relations between discipline and creativity./ With regard to enhancing discipline, some people think that it binds people's creativity and is incompatible with people's initiative and enthusiasm. Marxism holds that man's creativity and discipline are closely connected--"perfect when both combine and suffer when both depart." It is inevitable for man living in a certain society to have this or that kind of social relationship with other people. In the course of changing the objective world, if a man needs freedom to exert his initiative and creativity, there must be certain bounds for his words and deeds; that is, there must be certain discipline to restrict any improper freedom. Otherwise, people's social activities will not be ensured, their genuine creativity and initiative cannot be fully exerted or may even be offset and strangled. Discipline exists in every social system. It has different nature and conditions in different social systems. Just as Lenin said: Any new social system requires a new relationship and discipline between men. From the beginning of the socialist revolution, discipline should be built on a new basis. This is a discipline of comradeship, of each respecting the other and of exerting initiative and creativity in the midst of struggle. Some people feel it difficult to understand the practice of regarding revolutionary discipline as the main content of socialist spiritual civilization. In fact, the realization of revolutionary ideals requires that the potential wisdom and capability of the people be tapped to the greatest extent and that their initiative, creativity and devoted spirit be brought into full play. It will be impossible to attain the grand objective of communism without this initiative and creativity, which is guaranteed by organizational discipline. Therefore, whether our sense of discipline is firm or not is an important part in judging a man's spiritual mood; and whether our social discipline is strict or not is another important aspect in measuring the state of spiritual civilization of a society.

Socialism is a movement that advances toward communism. This movement cannot be conducted by merely increasing material wealth. We must concentrate forces in developing socialist economy and do a good job in the building of material civilization. But we cannot set sights only on material and not on man. In the final analysis, the purpose for developing our socialist economy is for man and not material. It is absolutely true that material wealth can make people happy, but it can also degenerate them. The crux of the matter is to do a good job in building socialist spiritual civilization and make great efforts to enable our people to have ideals, morality, culture and to observe discipline. This is a lofty task. All our party members, league members, advanced elements and members of society must consciously shoulder this historical task. Let us start now and from ourself and influence and lead the people aroud us to make the greatest efforts in building a high level of socialist spiritual civilization.

CSO: 4004/6

EXCERPTS FROM SPEECHES AT A FORUM ON STUDYING THE DOCUMENTS OF THE 12TH CPC NATIONAL CONGRESS

Beijing RED FLAG in Chinese No 20, 16 Oct 82 pp 16-28

> [Text] Editor's note: On 24 and 25 September, our journal invited some comrades of the theoretical, scientific, educational and literary and artistic circles to a forum on studying the documents of the 12th CPC National Congress. From this issue on, we will publish excerpts of the speeches by the participants. This issue will conclude all speeches by the comrades of the economic circle.

Lu Jiaxi [4151 0857 6932]: "Strengthen Unity and Coordination, Do a Good Job in Scientific Research"

The socialist scientific cause is an important component part of socialist spiritual civilization. Development of our scientific, cultural and other causes will not only greatly help along the building of socialist material civilization, but will also remarkably enhance our level of spiritual civilization. Therefore, every person working in our scientific research departments is a builder of the socialist spiritual civilization.

How to more strongly push ahead the scientific cause under the socialist system? To achieve this, we can only depend on our superior socialist system and our socialist consciousness. We must unite as one, share work and cooperate with one another under the unified leadership of the party, thus giving full play to our efficiency with our limited manpower and material resources.

Now, our number one headache is the disputes over trifles among our comrades and the practices of shirking responsibility, pushing it onto one another. This is an obstacle to the realization of our common goal and a negative factor which goes against communist ideology. In the case of the Chinese Academy of Sciences, endless haggling and shifts of responsibility are reflected in two areas, concerning external and internal relations, respectively.

Let us deal with the external relations first. Everyone knows that our country's professional scientific research contingent is composed of five different sectors—industry, national defense, local scientific research bodies, institutes of higher learning and the Chinese Academy of Sciences. In the 1950's, these five sectors had cooperated well. At that time, with Premier Zhou as our chief commander, Chairman Mao as our pilot who devised strategies in light of the overall situation, and Comrades Chen Yi and Nie Rongzhen as our direct leaders, successively, all of us worked with one heart and one mind and achieved great successes. Why could we quickly reap remarkable results in tackling the grand project of "A bomb, H bomb and satellite" in the early 1960's? I think that this was mainly because all of us had united and pooled our efforts under a common aim instead of disputing over trifles and pushing responsibility onto one another, thus dispersing our force. This was really a good lesson which deserves to be learned. However, the "Great Cultural Revolution" destroyed this trend of unity and coordination. Today, when we are making our efforts to create a new situation in all fields of socialist modernization, we should try our best to resume the fine style which was prevalent at that time.

Ownership by the department cannot be adopted in scientific research. A single department or unit, for example, a scientific research unit or an educational unit or any other department, cannot possibly do the whole job ranging from basic theoretical studies to application, popularization and mass production of research results. Only when the five sectors make concerted efforts can each individual, each department and each system effectively play its own role in the collective division of work and thus overcome difficulties one after another. If we do nothing about the practice of endless haggling and shifts of responsibility and retain ownership by department, we can hardly achieve anything in our scientific research. I truly found that in order to solve this problem, we must strengthen the building of socialist spiritual civilization in our contingent. And, first of all, our comrades who are holding leading posts should arm themselves with communist ideology. Although we are facing problems concerning the system and some defects existing in the working system and regulations, in specific policies and in other fields, we should not blame all problems on the system. Without the guidance of a good ideology, even a good system can hardly work. Although we oppose the tendency to effect the transition to communism prematurely, we should still always advocate communist style, communist morality and communist ideology.

Now, let us talk about the internal relations. In a meeting, Comrade Hu Yaobang said: The Academy of Sciences should mainly be run by you scientists. All of you should pool your efforts. This is a problem which really deserves attention. According to my understanding, such joint efforts concern several aspects, namely, technical research, professional work management, administration, party work and ideological and political work. If all these works do not center around a common aim and are carried out separately, the practice of disputing over trifles and pushing responsibility onto one another will prevail. Of course, these aspects are different from one another in terms of the division of work, their specializations and the importance of their roles; and these are differences between individuals in their ability. This is a normal phenomenon. However, all departments and all individuals have a common goal, a common ideal and a common guiding ideology, and all our works center around a common key link. It is this common faith that links us together to fight for victory. I think that in order to solve the problem of disputing over trifles and shirking responsibility, all of us must first strive for our common goal and arrange our work around the central task; second, we must courageously shoulder heavy loads and tackle key problems, or willingly play minor roles to assist main roles to complete key tasks; and third, we must respect, support and help one another. In brief, one of the principal roles of our ideological and political work is to function as the bond among our comrades and a catalyst in our cause.

Peng Peiyun [1756 3805 0061]: "Education Is an Essential Prerequisite for Building Material and Spiritual Civilization"

It was pointed out in the report to the 12th CPC Congress that education and science are key points of strategic importance in economic development as well as an important aspect of socialist spiritual civilization. This was the first time in our party's history that such importance was attached to education. We comrades working on the front of educational work, warmly hail the correct program laid down by the 12th congress and are determined to strive to create a new situation in the educational cause.

In the last few years, more and more comrades have acknowledged the position and the role of education in socialist modernization. So far, however, some comrades still attach importance to economic work alone while overlooking education, or just schedule educational development behind economic development. They do not know that although educational development is restrained by economy, education may, in its turn, have a tremendous reaction on economic development. From a long-term point of view, the success or failure of education will have an important bearing on the overall situation of the socialist modernization construction and on our nation's future. Unaware of this, we will inevitably commit historical mistakes. The report to the 12th CPC Congress stated: "The key link to the four modernizations rests on the modernization of science and technology." And education is the foundation for the cultivation of scientific and technical personnel. In order to develop the economy and improve economic returns, we need an adequate number of skilled workers, scientific and technical personnel and administrative staff with socialist consciousness. And, in order to build the socialist spiritual civilization, we need a massive contingent of intellectuals. All these rely on the popularization and enhancement of education. Today, in investing "expenditures" in education, we are just aiming at cultivating a labor force of high quality, so that this force will be able to play a greater part in production in the future. As the most fundamental capital construction of a country, education needs a long turnover cycle. Therefore, it must go ahead of other undertakings in our socialist construction and prepare a reserve of qualified personnel during the first 10 years for a new economic restoration in the next 10 years.

The report to the 12th CPC Congress pointed out that the popularization of education is the essential prerequisite for building material and spiritual civilization. This statement touches the core of the problem. To raise the scientific and cultural standards of our whole nation, we must start with primary education. As long as primary education is not popularized, new illiterates will keep on emerging. If the quality of primary education fails to improve, the quality of secondary and higher education will inevitably be affected, and thus a vicious circle within the educational field will take shape. As the popularization of education is a "matter of prime importance" which has a direct effect on the destiny of the whole nation, it must be dealt with conscientiously.

In order to adapt to and serve economic construction more effectively, our educational work must undergo readjustment and reform step by step and in a planned way, and a socialist educational system with Chinese features must be gradually established. We are now planning to concentrate our efforts for a while on educational work in rural areas. Our country has a population of 1 billion, of which 800 million are living in rural areas. Since agriculture will be the strategic key point of economic development in the next 20 years, how to adapt educational work in rural areas to the needs of rural socialist construction and cultivate a new generation of peasants with socialist consciousness, culture and production skills is a very important problem which badly needs to be solved. In the past, we did not pay enough attention to the studies of educational work in rural areas. This is a shortcoming which should be overcome. At present, our major task is to vigorously popularize primary education and carry out structural reform of secondary education. The student recruitment system and the graduates distribution system in those institutes of higher learning and secondary technical schools which mainly aim at meeting the needs of rural areas should also be reformed, so that students from rural areas can find their way back to their hometowns.

The readjustment and reform of higher education involve very arduous tasks and very complicated problems. We are considering concentrating our efforts on the following matters: working out the plan for cultivating qualified personnel, and readjusting various proportions so as to adapt to the needs of the economic and social development; setting up different systems of and various requirements for higher education, adopting different forms of running schools, actively developing unconventional educational forms such as television schools, broadcasting schools, correspondence schools and so on; reorganizing liberal education so that it can help better in economic construction, political work and the building of spiritual civilization and can provide a contingent of revolutionary, young, educated and professionally competent cadres.

All schools of various categories at various levels throughout the country must further improve their teaching quality and adhere to the principle of all-round development in moral, intellectual and physical education. We must, particularly at present, emphasize educating the vast number of students with communist ideology so as to enable them to resist the corrosion of bourgeois ideology, see through erroneous ideas of every description and thus grow into a new generation of communists in the new situation when the policy of opening the door to the outside world and enlivening the economy at home is being carried out. We educational workers must fully realize that we are shouldering an especially glorious and important mission of providing youngsters with communist ideological education and that, being both Red and expert, we must impart knowledge as well as educate people.

In order to create a new situation in educational work, we must also enhance our revolutionary vigor, improve our efficiency, go deep into the reality of life and work in a down-to-earth manner. At the same time, we hope that the party and government leading comrades of various departments in various places can put educational work on the important agenda, just as they have done with agriculture, energy production and communications, and seriously investigate and solve various problems existing in education work. At present, they should particularly assist in reorganizing the leading bodies of the educational system; select those "experts" who are enthusiastic about and are familiar with educational work, to hold the leading posts; try every means to increase educational funds and improve the conditions of schools; further implement the policy toward intellectuals, enhance the social status of teachers and improve their living and working conditions so as to more effectively mobilize the initiative of the vast number of teaching and administrative staff. Since our country's educational cause is large in scale, and since the state cannot take care of everything, we have to mobilize the whole society to engage in the job. At the same time, we must work out the relevant principles and policies and some basic rules and regulations so as to ensure that all areas of society can play more active roles under the unified planning of the state.

Zhang Guanghou [1728 1684 0624]: "Cultivate Scientific and Technical Personnel With Communist Ideology"

In his report to the 12th CPC Congress, Comrade Hu Yaobang set the building of a high degree of socialist spiritual civilization as a strategic guideline for socialist construction. This was a very correct and necessary decision. Here I would like to talk about my understanding of the building of socialist spiritual civilization from the viewpoint of the cultivation of qualified personnel.

The key to the four modernizations is modernization in science and technology. To fulfill this task, we need to cultivate a vast number of scientific and technical personnel. I am a researcher in basic mathematical theories. Is it enough for me to just do a good job in my own field? In view of the course of struggle of some accomplished mathematicians and my own experience, I truly realize that one's accomplishments are the fruits of many factors. These factors can be generally classified into three aspects, namely, moral, intellectual and physical education. I am not going to talk about the role of physical education here. As far as morality and intelligence are concerned, all our accomplished predecessors were not only equipped with an enviable and rich store of knowledge, but also with moral integrity, which is worth being followed. In fact, it was the latter which enabled them to build their rich store of knowledge and to make great contributions. It is one-sided or even wrong to simply attribute their achievements to chance and their gifts such as intelligence, talent and luck. Take me as an example. Is it simply because I have had a rather solid foundation in mathematics that I have been able to engage in mathematic studies and thus have achieved certain successes? The answer is no. I was born into a worker's family and led a very poor life in the old society. I began to work as a child laborer in the Kailuan coal mine when I was 8 or 9 years old. At that time, I never thought about or, to put it bluntly, could not possibly think about studying mathematics. My highest goal at that time was nothimg more than to become a technical worker in the coal mine. However, my poor living in the old society led to my hard-working spirit and tenacious character. After liberation, I had the opportunity to go to junior secondary school. Although I began to be interested in mathematics then, I did not think about taking mathematic studies as my career. I had only an idea in my mind: I am determined to devote my life to the party's revolutionary cause under the party's guidance; I will do anything with which the party entrusts me. It was at that time that I laid down a solid foundation in politics and began to link my destiny with the party's cause. Only when I went to senior secondary school did I make up my mind to devote my life to mathematics research for my motherland. But, on the other hand, I was also prepared to respond at any time to any call of the party. I think that it was during the above three periods when I laid foundations in various aspects. One's path is by no means smooth. Mishandling at a single link may have serious effects on one's lifetime cause. When the Lin Biao and Jiang Qing counterrevolutionary cliques were running amok, I bore pressure in my academic research due to the unfavorable political climate, as well as having faced seriously difficult working and living conditions. The spiritual support which spurred me to carry on scientific studies was the communist ideal. I understand that the party has paid very much for cultivating me. So, I must not spend the people's money freely and just let my life slip idly by. My own course of growth is a good example to demonstrate the important role of socialist spiritual civilization in the cultivation of a qualified person. In order to become a qualified person in the field of science and technology, one has to devote considerable effort to strengthening scientific and technological studies as well as improving political understanding.

No matter what career in which we are engaging, the ideology guiding our work must be nothing other than communism. Personal fame and gain, for example, can be an effective incentive to temporarily push one to work hard in scientific and technological fields. However, the effect of such an incentive cannot be sustained and is limited or even dangerous. There are numerous examples to illustrate the bitter experiences in this respect. Because the socialist system has been founded and developed in our society under the communist ideological system, any nonproletarian ideology existing in our minds can actually conflict with reality. If we uphold these wrong things instead of overcoming them with communist spirit, we will surely run into snags and be foiled everywhere. Thus, we will not only take to evil ways politically, but will also be utterly disheartened since we will always suffer setbacks. Only by arming ourselves with communist ideology can we ever keep our revolutionary spirit young.

Li Yanjie [2621 3601 2638]: "Educate the New Communist Generation in Proletarian Love"

To build a high level of socialist spiritual civilization is a common task of the whole party and all the people of the country. Teachers should be active propagandists of spiritual civilization and communist teachers should be more active and spontaneous propagandists because, first of all, we are communists and, second, teachers. A teacher should possess the morality of a teacher and love his pupils and teach them knowledge and cultivate them, that is to say, he should cultivate a new communist generation with proletarian love and get them to understand that the glorious cause is to liberate all mankind and that the best ideology is to fight all his life for the cause of communism.

A communist teacher should not take teaching as a means for making his living. He is a builder of spiritual civilization devoted to the cause of communism. Having this understanding, he will perceive the sense of responsibility and will not only sit in his study writing books or teaching in the classroom, but will also be deeply rooted among the youth, attaching importance to their healthy growth. As I told the life stories of Lu Xun and Wen Yiduo, I was frequently moved by their spirit of selflessness in the educational cause. They were illuminating, like a burning candle, the road to advance for youth. They could do it in the old society, which was an abyss of darkness, but why can we not do it in the socialist society? I am determined to take them as examples and strive to do more work for the people. At present, apart from teaching in the classroom, I make public reports for the youth in order to make close contact with the young people and to absorb political nourishment from them.

In recent years, I have received several hundred youths who came to visit me and 7,000 letters from them. Through these contacts and correspondence, I have come to realize that although their hearts were heavily broken during the 10 years of turmoil, they are never demoralized and most of them are willing to follow the party and are ready to accept ideological education in communism. Actually, the splendor of communist thought is shining among the advanced youth. For instance, Zhang Jun from Shaanxi, only 19 years of age, seeing a powder magazine burst into flames, rushed to the fire on four occasions within 5-6 minutes and saved 86 bags of detonating powder. Feng Jianhu, a telephone office worker from the railway department, is 20 years old. One day, as he was working beside the railway, he suddenly discovered a small girl picking out unburned coal from among cinders along the track. Meanwhile, a train was rapidly approaching the girl and was only 40 meters away. At this critical moment, he raced against the train, took the child in his arms and came rolling away from the track together with her. Thus, a life was saved from the jaws of death. People consider him a figure like Ou Yanghai.

Chinese youth possess revolutionary tradition. In particular, since the 3d Plenary Session of the 11th CPC Central Committee, encouraging change has taken place in the political ideology among the youth. Perplexed at the 10 years of internal disorder, they have woken up and after pondering things and making comparisons, have come to realize that the CPC is great and have strengthened their ideal and faith in communism. While some people have lost confidence in the rectification of bad party style, there is a student of 18, full of enthusiasm of fighting for communism, who joined the CPC. He expressed in unequivocal terms: "I join the party because vice still exists in the world. Why would we need the party if the whole world were bright?" This is the "fresh blood of the party body," the new and healthy force that is capable of waging uncompromising struggles against vice in the party.

As teachers and gardeners devoted to cultivating the new communist generation, we should try by every possible means to contact the youth and be their bosom friends; the common things existing between them; educate them by having a definite object in view; discover their positive factors and encourage them to advance. In the past few years, in connection with teaching classical literature, "making the past serve the present," I have inserted moral education in intellectual and aesthetic education. I strive to adopt the method of "what is taken from the youth is used in the interest of the youth." I cite the advanced deeds of the youth to compile books, to make reports and tc encourage the youth in the school and in society to learn from each other.

We should hold high the banner of the 12th CPC National Congress and unite more comrades with the view of doing a good ideological job for the youth. Recently, the All-China Federation of Trade Unions and the Beijing Municipal CYL Committee organized youth friendship training courses, and I am responsible for art education. More than 100 propagandists from Beijing and other localities of the country joined these two training groups. Since the study, all of us have made certain improvements ideologically, theoretically and in the art of lecturing. There is a big number of socialist civilization building lecturers who will become friends of the youth and are to be welcomed by them. We are also going to run well self-study universities under the party so that the present 250,000 students in training courses will become more socialist-minded and professionally proficient and more active builders of socialist spiritual civilization.

Xu Xing [1776 5429]: "Building Socialist Spiritual Civilization Corresponds to the Desire of the Party and People"

We are studying the 12th CPC Congress documents. In the study, I profoundly perceive that politically and theoretically, the party Central Committee has thoroughly discussed the significance, role, content and key point of building socialist spiritual civilization and the important measures for promoting the building of socialist spiritual civilization. This has made our minds clearer and our vision broader. Now, I initially review my study experiences in the following three points:

1. Comrade Hu Yaobang clearly pointed out in his report to the 12th CPC National Congress: "Socialist spiritual civilization is an important characteristic of socialism and an important manifestation of the superiority of the socialist system." I think that these two phrases can be considered

as a key point of important significance for building socialist spiritual civilization. The expositions on building socialist spiritual civilization by the party Central Committee have enriched the theory of scientific socialism and have defined the core of communist ideology for socialist spiritual civilization. The elimination of the system of exploitation and the establishment of the public ownership system for the means of production, distribution according to work, the development of national economy according to plan and proportion and the political power of the working class and laboring people are the characteristics of socialism. This enables us to have an all-round and complete knowledge. It can be considered that only by completely and thoroughly understanding socialism can we be able to comprehend socialism, socialist spiritual civilization and the strategic significance of building a high level of socialist spiritual civilization in the socialist cause. It is impossible to develop socialism without this spiritual civilization.

2. The strategic policy posed by the party Central Committee on simultaneously building material civilization and socialist spiritual civilization corresponds to the desire and demand of the people as well as to the law of socialist development. Since the 3d Plenary Session of the 11th Central Committee, the party Central Committee has led the people of the country to bring order out of chaos and has carried out a key change in the focus of party work. This has provided the people with a definite orientation, goal, ideal and spiritual power and has aroused the people's enthusiasm and knowledge for creating a new life in the building of socialism. Many advanced figures are seen in all fields. They are characterized by their firm faith in the cause of communism or their spirit of devoting themselves to it, their patriotic and collective spirit of socialism, their communist spirit of sacrificing their own interests for the sake of others; they are so devoted to public service as to forget their own interests, attaching great importance to the public interest and protecting public ownership. This advanced ideology actually exists in our daily life and vigorously affects and changes the concept and spirit of the people, and brings along the whole society. Numerous facts have proved that the building of socialist spiritual civilization accords with the desire of the party and people and is in line with the trend of history.

3. Now, our present task is to earnestly follow the orientation and track provided by the Central Committee and to carry forward more effectively the socialist spiritual civilization cause (including ideological and cultural undertakings) in accordance with the measures and demands put forward by the Central Committee. In this glorious undertaking, we propagandists, theoretical workers, educational workers, scientific workers, literary and art workers, journalists and publishing workers are shouldering very important tasks. Under the leadership of the Central Committee, we should conscientiously study the relations between the building of socialist spiritual civilization and the job of our departments, make clear the demands put to us by the spiritual civilization and understand how we can further improve our work, in accordance with the characteristics existing in the job of our department, in order to make due contributions to socialist spiritual civilization and to effectively avoid the unfavorable factors in socialist

spiritual civilization which might emerge in work, and to resist the corrosive influence of decadent factors. Only thus will we have clearer ideas and under the unified plan of the party, make continuous efforts and strive to cultivate more members of society by converting them into laborers with ideals, morality, culture and discipline.

Luo Guojie [5012 0948 2638]: "Strengthen Education in Communist Morality"

The report of the 12th CPC Central Committee says that communist ideology is the core of socialist spiritual civilization. Education in communist morality will play an important role in the building of socialist spiritual civilization. Under socialist conditions, communist morality is the spiritual link for establishing new relations between the people. Communist morality generally comprises five universal points of significance and the most important standards. First, to wholeheartedly serve the people, that is, to ardently love the people, attach great importance to the people and proceed in all cases from the interests of the people. Second, the communist attitude toward labor urges all laborers to take labor as a glorious task of a citizen and to observe labor discipline in order to make more contributions to socialist construction. Third, to protect public property and to acquire the socialist concept of public property as sacred and inviolable. Fourth, to adhere to science and the truth, to urge people to study hard, to acquire scientific theory and to persist in the truth and to develop it in practice. Finally, to uphold socialist patriotism and internationalism. It urges people to protect the national dignity and national interest, and to link the national interest with the general interests of the whole of mankind. These several standards are indispensable to communist morality.

We stress communist moral education because it is linked to the remolding of people's ideology under socialist conditions. While building socialism, we must constantly improve people's material living standards and, at the same time, we should make our new generation people with ideals, morals, culture and discipline. Only thus can we guarantee that socialist construction will not lose its way. The building of material civilization is an indispensable basis for the creation of spiritual civilization, but on no account must we consider that the building of spiritual civilization is of little importance. Practical life will constantly and clearly show that if the people do not remold their ideology and cultivate lofty communist morality, it is entirely impossible to develop socialist modernization and to advance along the track toward a high level of communism.

The undertaking of communist moral education must be integrated with the practical problems that people are facing in their work, study and labor, and they must be patiently and painstakingly inspired and guided. Only thus can sympathy for communist morality be aroused in the hearts of the people and can they understand the importance of heightening their morality, so that an increasing number of members of society can conscientiously bring their deeds in line with communist morality.

Zhou Taihe [0719 1132 0735]: "Strengthen and Perfect the Economic Responsibility System"

In his opening speech at the 12th CPC National Congress, Comrade Deng Xiaoping called on the whole party: for a time to come, four tasks have to be tightly grasped, and the reform of organs and economic systems must be considered as an important task. The reform of the enterprise administrative system comprises an important part of the whole system reform. In order to arouse the initiative of enterprises and laborers, the system of job responsibility must be implemented in management and administration in state-owned and collective enterprises. In recent years, while implementing the eight character policy of national economic readjustment, restructuring, reorganization and upgrading, the economic responsibility system which has been carried out by the industrial enterprises in responsibility, power and profit, has achieved some results by enhancing the initiative of the enterprises, improving them and raising economic returns. In order to strengthen and perfect it, we hold that at present, the following questions have to be resolved:

1. The enterprises which are implementing the economic responsibility system must, first of all, strengthen planning and administration, must be responsible for the plan provided by the state and must run well the business of the enterprises in accordance with the requirements of the state's plan. Therefore, leading cadres of the enterprises have to acquire economic knowledge, know how to plan and to run the business, first be responsible for running the enterprises well and strive to achieve the best economic returns. Our national economy puts planned economy in the leading role. Enterprises, as grassroots units of economic activity, must completely fulfill the state's plan. Therefore, enterprises must convert the state's plan into their own plan, putting it in the light of their own practical conditions. Only by planning production will we be able to run our businesses well. At the same time, we must also implement the complete plan down to every post at all levels and to every person. That is to say, we must strictly carry out the economic responsibility system. How can we run an enterprise if we entirely depend on the state, do not assume responsibility for the profit and loss or do not stress economic returns? We should employ those who know how to plan and run the enterprises or are specialized in taking "strategic problems" into account. Raw material and fuel sources and product sales volume must also be taken into full account. Naturally, it is impossible to make all decisions by the enterprise in planned economy; it is important that the leading cadres of the enterprise understand the state's economic situation and gain a clear idea of the state's plan and market development and hold themselves responsible to the state. In the fall of last year, Comrade Zhao Ziyang pointed out that in order to implement well the economic responsibility system, it is important to combine the implementation of the economic responsibility system with the strengthening of planning and administration so that the enterprises will be able to operate in the light of the state's plan and the demands of society. The most important experience acquired by the Shoudu Iron and Steel Company in implementing the economic responsibility system is that it arranges production in accordance with the state's plan and requirement, every level

assumes responsibility, and each of them is responsible for the task until it is completed and pledges to fulfill the state plan in an all-round way. The economic administration departments must also be economically responsible to the state and must assume responsibility for fulfilling state plans.

2. Enterprises should have a certain decisionmaking power. Such power must be given to the enterprise so that it may have initiative in running its administration well and may fully bring this initiative into play. Since 1979, we have expanded decisionmaking power in some pilot project enterprises, enabling them to have power in marketing some products, in utilizing retained profits, in issuing bonuses, in appointing and removing cadres at middle level and so on. This has increased vigor in the enterprises and revived them. In 1981, we implemented the economic responsibility system by setting profit quotas for enterprises and adopting measures of reward linked to profits to the staff members and workers. All localities have adopted various forms of retention of profits and reward in the light of their own conditions. This has further aroused the initiative of the enterprises and workers and improved the administration and management of the enterprises. In the future, following the process of administration system reform, the decisionmaking power of enterprises will be continually practiced and developed. For instance, marketing power to some extent is to be given to the enterprise and a system of good price for good quality will be imposed. This will serve to closely link production and marketing, to improve quality, to expand the market and to raise the social economic returns.

3. Implement the principle of distribution according to work. The egalitarianism existing in distribution has for years seriously affected the initiative of staff members and workers. The implementation of the economic responsibility system and the principle of material interest has partially eliminated the evils of egalitarianism inherent in wages over a long period of time. A bonus principally comprises reward in excess of labor quota. Before the reform of wages is completed in an all-round way, the division of bonuses into categories serves to adhere to the principle of distribution according to labor. Why is the economic system of labor responsibility well received by the people? One of the most important factors is that people urge the implementation of the principle of distribution according to work. If the total amount of bonuses must be put under control and distribution according to labor must be handled well, what is to be done? According to some units' experiences, bonuses should not be leveled out among units and the distribution of bonuses for individuals might have to be increased or decreased.

As regards distribution of profits for enterprises, the relations between the state, the enterprise and the laborer should be handled correctly. In order to guarantee that the state can concentrate financial resources for energy, communications and other construction, the principle of turning over a greater proportion to the state should be implemented in the distribution of profits. In the distribution of the three retained funds in the enterprises, a rational proportion between production funds, welfare funds and staff and workers' bonuses should be stipulated in the light of the enterprises' specific conditions. A considerable amount of production funds should be ensured so that the enterprises can constantly improve their technology and tap their potentials.

4. Conduct enterprises' readjustment in an all-round way and simultaneously carry out necessary reform. The economic responsibility system should be stressed at all levels, from the leading organs to the enterprises. Only by completing enterprise readjustment and all basic tasks will the economic responsibility system be stabilized and gradually perfected. At the same time, the necessary reforms indispensable to completing the economic responsibility system should be vigorously experimented with at selected points or optionally arranged. Reform within an enterprise should be linked with the reform of the entire industrial administration system, and the relations between the part and the whole should be improved. With the constant progress of production technology, they should be constantly improved. A complete and specific system and measures must be found and adopted to suit industrial characteristics, to further arouse the initiative of the enterprises and staff members and workers and to bring about an overall upsurge in the socialist economy.

You Lin [2589 2651]: "Planned Economy Is a Basic Feature of Socialist Economy"

The general program of the party constitution and Comrade Hu Yaobang's report have reaffirmed that the socialist economy can and must develop in a planned and proportionate way. They pointed out that it is absolutely necessary for us to have a planned economy based on public ownership.

What is referred to as the planned economy is coordinated development of social economy based on unified planning. Production is socialized under the capitalist system. However, the means of production are still owned by the capitalists individually. Therefore, an extremely acute contradiction has occurred. Planned division of labor is practiced in the capitalist enterprises, which is characterized by being well organized. However, the production of the whole society, being dominated by the spontaneous division of labor, is in a state of anarchy. Thus, the market has become the only form of mutual contacts and the only regulator of production and circulation. The spontaneous market regulation maintains the proportional relationship needed for the development of capitalist economy, but this is achieved through the frequent disruption of proportion and serious economic upheavals and crises. The establishment of socialist public ownership has made planned economy an objective requirement and opened the possibility for its realization. The planned development of social economy shows that social relations of production no longer rule people as an alien force. They have become jointly owned and brought under the control of the people working together. People's economic activities are no longer prompted by an unknown force but are conducted according to schedule. This constitutes a great leap in the history of mankind. Planned economy comes into being on the basis of public ownership. It also shows, from an important aspect, the nature of socialist production relations. Therefore, it is entirely correct to regard the planned economy as a basic feature of socialist economy.

Some comrades have summarized the basic feature of socialist economy as the commodity economy. This is open to doubt. Everybody knows that commodity production and exchange have been in existence for thousands of years. They are a common phenomenon of the widely different modes of social production. Viewed from the general character of commodity production, they only reflect a mutual relationship between commodity owners. They do not contain more complicated relationships. The essence of capitalism cannot be summarized as a commodity relationship. When criticizing the attempt of philistine bourgeois economists to sum up the relationship between the interested capitalist parties as a simple relationship brought about by the circulation of commodities, Marx pointed out: "If we only know the abstract categories of commodity circulation shared by these modes of production, we are still unable to understand the different features of these modes of production, nor are we able to make a judgment on these modes of production." ("Complete Works of Marx and Engels," Vol 23, p 133) This is because, in the capitalist economy, the law of commodity ownership has been transformed into one of capitalist ownership. It is all the more impossible to summarize the essence of socialist economy as a commodity relationship. In China, it is necessary to vigorously develop commodity production and exchange. However, if we summarize our economy as a commodity economy, it is necessary to regard all state enterprises as independent economic entities possessing all the functions and competence of commodity producers and owners; to regard, under socialist conditions, the most fundamental relationship among people as one of exchange of commodity equivalents and not one of joint ownership and labor; and to regard the factor controlling our economic activities as being primarily the law of exchange at equal value (which, in fact, is an exchange of equal labor) and not the basic socialist economic law and the law of planned development. This will obscure the distinction between the socialist and capitalist economy.

Will it hamper the development of commodity production and exchange if we do not summarize the socialist economy as a commodity economy? No, On the contrary, it will help commodity production develop along the socialist path. In "Questions of Soviet Socialist Economy," Stalin pointed out that we should never regard commodity production as something which independently exists without relying on the surrounding economic conditions and that commodity production exists in several different societies and serves different social systems. In China, commodity production depends on the economy of socialist public ownership, which develops in a planned way and in which the state economy holds a dominant position. It serves the socialist system. Only by clarifying this point is it possible for the developing commodity production to become socialist commodity production beneficial to socialism.

Sun Shangqing [1327 1424 3237]: "Step Up the Study of Economic Structure for the Realization of Strategic Objectives"

The report to the 12th party congress pointed out that, in the period of the Sixth Five-Year Plan, an important job to which we must devote our main efforts is to continuously readjust the economic structure and, in the period of the Seventh Five-Year Plan, to continuously complete the rationalization of the economic structure in various fields. Here, the gradual rationalization of the economic structure has been put forward as a very important task for laying a solid foundation and accumulating strength in the first decade and for creating the necessary conditions for a new period of vigorous development in the second. A rational economic structure is an important condition for achieving better economic results and faster speed of development. What is referred to as a rational economic structure should be one which not only promotes current economic development, but one which is also beneficial to future economic development. It includes structures of both the productive forces and the production relations. In order to ensure the realization of our strategic objective, it is necessary to study well all these structures and raise scientific proposals for these structures.

Rationalization of industrial structure is a basic condition for the proportionate and coordinated development of the national economy. The report to the 12th party congress has stipulated the strategic priorities of economic growth such as agriculture, energy and transport and education and science. It has not only set definite demands on the current readjustment of economic structure, but has also shown clearly the orientation for the rationalization of industrial structure in the next two decades. Our task is, on the basis of major achievements scored in the readjustment of industrial structure over the past few years, to study the trend of future changes in China's industrial structure and raise proposals for the industrial structure in different stages of development so that the structures of various departments, such as agriculture, light industry, heavy industry, communications and transport, building industry, commerce and the service trades, become the best structures for the realization of strategic objectives. It is also necessary to penetratingly study product structure. Quadrupling the gross annual value of industrial and agricultural production is not tantamount to quadrupling the output of all products. It is impossible to quadruple some products, such as energy and certain raw materials. However, it is possible to increase the output of some other products, such as machinery and electronics and petrochemical products, by several, a dozen or even several dozen fold. Within a trade or profession, the growth of various products will also differ in thousands of ways. This makes it necessary to study proposals concerning product structure in order to make sure that the development between the various departments or within the department itself helps to improve the economic results of society.

The realization of strategic objectives should primarily depend on technological progress. It is necessary to study, in light of China's conditions characterized by a huge labor force and a relatively low technological level in production, proposals for China's technological structure so that there is a rational ratio between automatic, semiautomatic, mechanized, semimechanized and manual operations. It is also necessary to study changes in the respective stages of development and to formulate scientific proposals in coping with the situation in order to continuously raise, while expanding employment, labor productivity and the technological level.

When expounding the necessity of upholding the leading position of the state economy and developing different economic forms, the report to the 12th party congress has also scientifically defined the various basic principles for China's ownership structure. It has also called for the rational distribution and development of different economic forms in order to invigorate the urban and rural economy and to make life more convenient for the people. This makes it necessary to set up a rational ownership structure. Therefore, it is necessary to study proposals for the ownership structure which conforms to the productive forces in different stages of development in order to correctly bring into play its positive role in promoting the development of production forces. Undoubtedly, this is also an important subject facing economics.

The research task of economics is diversified. It is also extremely strenuous. So long as we penetratingly study and correctly understand the guidelines of the documents of the 12th party congress and implement them in various research tasks, we will certainly be able to create a new situation in all fields of socialist modernization and make our contributions.

Liu Guoguang [0491 0948 0342]: "The Economic Program of the 12th Party Congress Reflects the Requirement of the Objective Economic Law"

Now I would like to discuss with you, from the requirement of economic law, my initial understanding of the guidelines of the economic program expounded in the 12th party congress.

1. Let us look at this problem from the requirement of basic socialist economic law. Since the 3d Plenary Session of the 11th CPC Central Committee, our party, when formulating new economic principles and policies, has placed the aim of socialist production in a very important position. It was pointed out in the report to the 12th party congress that, on the basis of quadrupling the gross annual output of industrial and agricultural production, efforts should be made to increase the income of the urban and rural population several times over so that the Chinese people will be comparatively well-off both materially and culturally. The report explicitly pointed out that the means to this end can only be the vigorous development of production. The report also made important stipulations in various fields, such as increasing production and practicing economy, the accumulation and distribution of funds, key construction projects and technological transformation. All these will help to meet the requirement of basic socialist economic law in a relatively satisfactory manner.

2. Let us look at this problem from the requirement of the law of developing the economy in a planned and proportionate way. Lenin pointed out: What is referred to as planning is a balance constantly and conscientiously maintained. The report to the 12th party congress pointed out: "China has a planned economy based on public ownership." That is to say, it is necessary for China's economy to constantly and conscientiously maintain its proportionate development. The economic program of the 12th party congress has made important stipulations in two areas--the readjustment of ratio and structure and the reform of planning. With respect to the readjustment of

ratio and structure, the report pointed out that it is necessary to regard agriculture, energy and transport and education and science as the strategic priorities in China's economic growth in the next two decades and, centering around the national economy, carry out readjustment and rationalization of the various economic structures. With respect to planning reforms, the report pointed out that it is necessary to determine, according to different circumstances, the limits and scope of the three different forms of planning, namely, mandatory planning, guidance planning and regulation by market mechanism, and, on the basis of strengthening state unified planning and overall balance, continuously bring into play the supplementary role of regulation by market mechanism. So long as we succeed in establishing a scientific planning system which conforms to China's conditions, we will be able to realize in a better way the requirement of the law of developing the economy in a planned and proportionate way.

3. Let us look at this problem from the requirement of the law that the relations of production must conform to the nature of productive forces. Since the 3d Plenary Session of the 11th CPC Central Committee, our party has, on the basis of upholding the leading position of the state economy, encouraged and supported the urban and rural collective economy and the individual economy within a certain limit and has allowed the coexistence and development of different economic forms, thus promoting the prosperity of urban and rural economy. The economic program of the 12th party congress has affirmed this orientation, explicitly pointing out the necessity for China to maintain different economic forms for a long time to come. It has also more conscientiously applied the law of production relations conforming to the nature of productive forces to the rational distribution and development of different economic forms, with the state economy as the main body. In addition to the different economic forms, the report to the 12th party congress has also dealt with different forms of management and has set forth the task of continuously achieving rationalization of organizational structure of enterprises. These policies and measures will certainly further improve China's socialist relations of production and thus promote further development of the productive forces.

4. Let us look at this problem from the requirement of the law of value. The report to the 12th party congress has further expounded the scope and ways of functioning of the law of value. 1) The scope of the spontaneous regulatory role of the law of value is limited to the production and circulation of some products not listed in the plan. A complement to planned production and circulation, it plays a subordinate and secondary role but is also essential and beneficial. 2) State planning consciously utilizes the scope of functioning of the law of value, including the production and circulation of products listed in the plan. But whether in mandatory planning or in guidance planning, we should constantly study changes in market supply and demand, and constantly make use of such economic levels as pricing, taxation and credits to guide the enterprises in fulfilling state plans. This part of the planned production and circulation is the main body of China's national economy. All these are of great importance to the implementation of the principle of ensuring the leading role of planned economy, which is supplemented by regulation by

market mechanism, and to the vigorous development of socialist commodity production and exchange, thus bringing about an all-round upsurge of the socialist economy.

Li Zhengzhong [2621 7201 0022]: "Uphold the Principle of Relying Mainly on the Planned Economy and Supplementing It With Regulation by Market Mechanism"

The principle of "relying mainly on the planned economy and supplementing it with regulation by market mechanism" expounded in the report to the 12th party congress is a scientific summing-up of the experience gained in China's socialist construction in the past three decades and more. This principle, which has satisfactorily integrated a strong sense of principle with a high degree of flexibility in socialist economic management, should be made an orientation for reforming China's economic management system.

A socialist society should practice the planned economy; it cannot do otherwise. This is because the planned economy is the objective requirement of mass production and the inevitable consequence of the supersession of capitalist private ownership by socialist public ownership. Just as Lenin said: "Socialism is inconceivable without planned state organization, which keeps tens of millions of people to the strictest observance of a unified standard in production and distribution." ("Selected Works of Lenin," Vol 3, p 545) It was explicitly pointed out in the report to the 12th party congress that the planned and proportionate development of the national economy is an important feature of socialism. This shows that in upholding socialism, it is necessary to uphold the planned economy. We should not confuse with the planned economy some imperfections or even some shortcomings and mistakes in planning, still less should we negate the planned economy because of this. Naturally, in order to uphold the planned economy in a more satisfactory manner, it is necessary to strengthen and improve management, raise the standard of planning and improve the system and methods of management. Only in this way is it possible to bring into full play the superiority of the planned economy.

The report to the 12th party congress listed three forms of planning: mandatory planning, guidance planning and regulation by market mechanism (that is, the enterprises flexibly arrange their production according to changes in market supply and demand). These three forms are in fact the crystallization of the principle of relying mainly on the planned economy and supplementing it with regulation by market mechanism. The adoption of the three planning forms conforms to China's reality and the distinguishing features of socialist planned economy. In the present state of our country, there are still two forms of public ownership, the state economy, which occupies the leading position in the entire national economy, and the collective economy of the working people. At the same time, there is also the individual economy of urban and rural working people. Socialist commodity production and exchange still extensively exist. Mass production is still uneven in different departments and localities. Under these circumstances, we cannot adopt a single planning form but should adopt the forms of mandatory planning, guidance planning and regulation by market mechanism according to different circumstances.

The three forms are integrally related with one another and none of them can be dispensed with. They have different status in the planning system. Mandatory planning occupies a leading position. Only with the coordination of mandatory planning can guidance planning and regulation by market mechanism play their proper roles. However, the realization of mandatory planning is inseparable from the coordination and supplementation of guidance planning and regulation by market mechanism, particularly guidance planning. This is because guidance planning has a fairly extensive scope and also plays an important role in promoting the proportionate development of the national economy.

The CPC Central Committee has stressed the implementation of mandatory planning in a certain scope. This is not an expedient measure. I agree with the view that mandatory planning is an important feature of the planned economy. This view conforms with the Marxist principle of planned economy. The planned economy calls for readjustment in the proportion of social reproduction through the economic plans. It goes without saying that these plans should be implemented by the leading economic bodies at various levels and all the economic organizations. The national economic plan is not a general appeal but a program of action for mobilizing a mighty force to realize the strategic tasks of the party and state for economic development. If we do not have mandatory planning as well as its binding force, we do not have a planned economy. Naturally, we do not mean that the greater the scope of mandatory planning the better. The scope of mandatory planning should be determined according to actual circumstances. At the same time, in mandatory planning, we must also "strive to make it conform to the objective reality, constantly study changes in market supply and demand, consciously make use of the law of value and such economic levers as pricing, taxation and credits to guide the enterprises in fulfilling state plans, and give them varying degrees of powers to make decisions as they see fit."

He Jianzhang [0149 1696 4545]: "Build a Socialist Economic System With Chinese Characteristics"

In his opening speech to the 12th party congress, Comrade Deng Xiaoping said: "To integrate the universal truth of Marxism with the concrete realities of China, blaze a path of our own and build socialism with Chinese characteristics--this is the basic conclusion we have reached in summing up long, historical experience." What characteristics does socialism with a Chinese style have? In his report to the 12th party congress, Comrade Hu Yaobang gave a general description of these characteristics. My impression is that, viewed from the economic system, socialism with a Chinese style should comprise the following two aspects:

1. With respect to the structure of ownership, we should implement the principle of maintaining, on the basis of the absolute predominance of socialist public ownership, different economic forms for a long time to come. Comrade Hu Yaobang said: "As the level of development of the productive forces in our country is on the whole still fairly low and uneven, it is necessary to maintain different economic forms for a long time to come."

Our lesson in the past was that we blindly sought "continued revolution" in the relations of production, departing from the specific conditions in the development of China's productive forces. After the socialist transformation of the private ownership of the means of production was basically completed, we were again busy undertaking a "poor transition" without so much as summing up the experience, consolidating the gains in victory and correcting the shortcomings in our work. By the time the "gang of four" was smashed, in both cities and towns there was almost exclusive economy under ownership by all the people; in the rural areas, there was nothing left except the collective economy of the people's commune, which integrated government administration with economic management. This practice was divorced from China's national conditions and brought about serious consequences. Since its third plenary session, the CPC Central Committee has rectified this "leftist" guiding ideology, reaffirming that ownership by the whole people and by the collective are two basic forms of socialist public ownership. The socialist state sector occupies the leading position in the entire national economy. It is necessary to vigorously develop the collective economy, including the cooperatives financed and run by young people and other residents. We must encourage the appropriate development of the individual economy of urban and rural working people within limits prescribed by the state and under supervision by industrial and commercial administration. In agriculture and industrial and commercial enterprises, it is necessary to set up and popularize various forms of the responsibility system, including the system of responsibility for profit and/or loss in some of the state enterprises. It is precisely due to the implementation of a series of correct policies which conform to the development of China's productive forces that the economy has been initially invigorated. This has played a useful role in promoting urban and rural economy and in making life more convenient for the people. At present, it is necessary to consolidate and improve the agricultural production responsibility system and explore diverse and better forms of cooperative economy. It is necessary to explore and formulate a set of specific systems and methods which conform to the characteristics of industry and commerce and which not only ensure the unified leadership by the state but also bring into play the initiative of enterprises and their staff and workers. With respect to some problems that crop up in the course of developing the cooperative economy financed and run collectively and the individual economy, we should also make efforts to solve them and strengthen management over them.

2. With respect to the planning system, it is necessary to implement the principle of "relying mainly on the planned economy and supplementing it with regulation by market mechanism" and practice the method of integrating mandatory planning with guidance planning and flexible arrangement of production. Mandatory planning is aimed at enabling the state to directly control and allocate the necessary material and financial resources for the planned and proportionate development of the national economy and the stability of the people's livelihood. However, it is neither possible nor necessary for the state (including the various departments and localities) to assign mandatory targets to various economic forms and several hundred thousand enterprises for a great variety of products. At present, there are only 140-odd kinds of industrial products administered by the State

Planning Commission which, if we add the industrial products administered by the various departments, come to about 500. There are more than 250 kinds of goods and materials for unified distribution by the State Planning Commission and State Administration of Supplies and there are only about 580 kinds of goods and materials administered by the various departments. Therefore, in addition to mandatory targets, it is entirely necessary to have guidance targets and to allow enterprises to arrange their production flexibly in accordance with market conditions. What merits further study at present is the respective scope and limits of mandatory plans, guidance plans and regulation by market mechanism. It is particularly necessary to explore ways to implement them for various products and enterprises in various departments and localities. It is necessary to draw up a system of targets which is provided with a scientific basis and a list of products for management at different levels. This is a very complicated and meticulous job. Furthermore, the questions of how to effectively apply the economic levers to realize the guidance plans and how to correctly effect regulation by market mechanism are important subjects facing us.

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APPROPRIATELY POOL FUNDS TO STRENGTHEN CONSTRUCTION OF MAJOR PROJECTS

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[Article by Gui Shiyong [2710 0013 6978]]

[Text] In his report to the 12th party congress, Comrade Hu Yaobang put forward the magnificent goal of quadrupling the gross annual output value in industry and agriculture by the end of this century. For the sake of gradually realizing this goal, an important problem we must solve at present is to concentrate the necessary funds on the construction of major projects. This is an important measure for getting rid of the weak links in the national economy and for ensuring the continued growth of socialist production at the rate we have anticipated.

I

Appropriately concentrate funds to strengthen the construction of major projects is the urgent demand of further strengthening economic readjustment as well as the objective need of long-term economic development.

In recent years, we have carried out a series of major readjustments to the national economy and the serious imbalance in the past in the proportion between consumption and accumulation as well as between agriculture, light industry and heavy industry have become more or less basically coordinated. However, the task of economic readjustment is by no means over, and there are still many problems in the national economy which require solutions. One outstanding problem is that such basic facilities as energy and communications are not in keeping with economic development. In recent years, because of the restriction of all sorts of conditions, the development of energy production has slowed down. However, the phenomenon of serious energy waste has not changed much. In the preceding 2 years, because some heavy industrial enterprises did not have enough production tasks, a portion of their energy was transferred to support the development of light industry. Thus under the condition of no increase or even a slight decrease in the total amount of energy supply, the whole economy still achieved a certain rate of growth. This year, along with the quicker pick-up of heavy industry, the energy shortage has worsened. At the same time, communications and transportation capacities are very much out of line with the increase in freight volume, a great deal of coal has piled up in the mining areas and cannot be shipped out, and the phenomenon of ships and cargoes laid up in ports is rather serious. These conditions show that when there has been a greater improvement in the proportion between consumption and accumulation and between agriculture, light industry and heavy industry, the focus of economic readjustment work should be shifted toward further solving the problem of the internal structure of agriculture and industry and toward coordinating the relations between energy and communications as well as other departments and progressively alleviating the tense situation in energy as well as communications and transportation. This requires us, while at the same time progressively strengthening energy and communications construction and actively increasing the production and supply of energy, to realistically and effectively develop and save energy.

Concentrating the necessary funds to carry forward the construction of major projects is not only the demand of further carrying out economic readjustment, but more importantly, it is the need of ensuring long-term economic development. Proceeding from the historical experience of our economic construction as well as actual social economic conditions, our economic development henceforth should mainly rely on carrying forward technical transformation, improving management and administration and giving full play to the role of existing enterprises. We definitely cannot, as in the past, rely mainly on putting in huge investments to build large numbers of new enterprises. We must not have the slightest doubt or vacillation on this point. However, this definitely does not mean that we can neglect the building of new enterprises or that we can underestimate the important significance of the construction of new projects which are carrying forward socialist modernization. Our rich natural resources are at present poorly utilized, and there are still many resources requiring exploration and development. Our agriculture field's ability to combat natural calamities is still very weak, and many basic production conditions must be progressively improved. Our industrial technology is still rather backward, and such basic facilities as energy and communications must be strengthened. Many developing industrial departments also require faster development. Our economic distribution is still not very rational, and we must continue to improve it in a planned manner. The solution of all the tasks mentioned above requires us to energetically carry forward the technical transformation of existing enterprises. At the same time, we must construct the necessary new enterprises in a planned manner and reconstruct and expand many of the existing enterprises. Otherwise the expanded reproduction of society cannot smoothly develop.

Take the solving of the energy problem for example. We must give priority to the saving of energy, and at the same time, tap as fully as possible the potentials of existing coal mines and oil fields, and strive to increase the production of energy. We should see that our country's energy shortage is to a very large extent caused by the serious waste of energy. Therefore, we must hold fast to saving energy as a long-term strategic policy. However, this does not mean that the additional energy required for future economic development can be wholly solved by practicing frugality. This is not the case. Large-scale saving of energy involves carrying out the reorganization as well as the technical transformation of the whole industry and also requires a procedure. In this procedure, economic growth as well as the increase of energy consumption by the people must certainly be guaranteed by a definite amount of additional energy sources. This requires us, based on needs and possibility, to strengthen energy construction as well as relevant communications construction. In the next decade if we cannot prepare the necessary energy sources, communications and other essential material conditions for vitalizing the economy in the 1990's, then we will encounter great difficulty in achieving the strategic dispositions for the whole economic development. The construction of energy sources and communications will require a great deal of money and take a long time. We must make appropriate arrangements well in advance. On this question we would rather make the estimates more difficult and the preparations more adequate than are actually required, for this will be more to our advantage.

Strengthening the construction of major projects requires a considerable amount of money. Where does this money come from? As China is a socialist country, construction funds must rely mainly on internal accumulation. The basic path of accumulating funds is by developing production, raising economic benefit and opening up sources of revenue. In other words, we must first have ways of making money. Only with the development of production, the raising of economic benefit and the increase of public wealth can we keep on improving the livelihood of the people, and at the same time, accumulate more and more construction funds. If we deviate from developing the economy to raise funds, we will be attending to trifles to the neglect of essentials and will be unable to properly solve the question of funds. At present, regardless of whether in the field of production, communications or circulation, the waste of manpower, material resources and financial resources is very serious. Many technical and economic indices are very much lower than those of the economically developed countries, and even not as high as the better level we have reached in the past. There is extremely great potential for increasing production and practicing economy in various fields. If policies are on the right track and work is effectively carried out, it is entirely possible to create more material wealth by making use of the existing financial and material resources and thereby provide an enormous source for the accumulation of funds. The emphasis on ways to make money definitely does not mean we must not pay attention to ways of accumulating funds. It is just the opposite. After wealth has been created, the rational distribution carried out regarding its various uses is of great important significance to whether or not the necessary funds can be accumulated and whether or not the coordinated and sustained development of the national economy can be promoted. In particular, in such a populous and backward country as ours where the average per capita national income is still very low, China is still faced with the strenuous task of improving the livelihood of the people and pushing forward the modernization. Under these conditions, the making of overall planning and arrangement and the correct handling of various proportions in the distribution of national income are of prime importance. An important manifestation of the superiority of the socialist economy over the capitalist economy is that it can concentrate necessary financial and material resources for solving those urgent and immediate problems and thereby promote faster development of the economy. Based on the per-capita economic index, China is still a poor country and not very well-off in many respects. However, if the funds scattered throughout the country can be rationally centralized, it will become a very impressive force and many important things can be done. This is precisely the strong point of a large country such as ours. If we take advantage of and give play to this strong point, it will play a very important role in pushing forward our socialist modernization. The task we are faced with at present is to appropriately readjust the relations of distribution so as to concentrate necessary funds to strengthen the construction of major projects on the basis of energetically developing the economy and striving by every means to increase national income.

II

For the sake of accumulating necessary funds to guarantee the construction of major projects, we must first continue to handle properly the relations between consumption and accumulation and make unified arrangement for the livelihood of the people as well as production and construction in accordance with the principle "first, feed the people and second, build the country."

In recent years, for the sake of correcting the previous mistake of placing one-sided emphasis on production and construction to the neglect of the people's livelihood, we have adopted a series of measures such as greatly raising the purchasing prices for agriculture products, expanding labor employment in cities and towns, readjusting the wages of workers and staff members and implementing the bonus system to more quickly raise the standard of living of urban and rural people. According to statistics, compared with 1978, the 66-percent increase in the net income of individual peasants and the 44-percent increase in the total wages of workers and staff members in 1981 have both greatly surpassed the 22-percent increase in the gross output value of agriculture and industry and also the 35-percent increase in the total output value of agriculture and light industry for the same period. In these 3 years, the 26-percent increase in the average wage of workers and staff members has surpassed the 7-percent increase in the labor productivity of all personnel of enterprises for the same period. Almost all the new increases in national income during these 3 years have been used for increasing consumption and there has been no increase in accumulated funds. For the sake of evidently improving the longstanding rather low livelihood of the people and thereby arousing the enthusiasm of the masses for production, this practice has been necessary. However, this practice can only be carried out within a specific and relatively short period, and should not and cannot continue forever. If we keep on improving the livelihood of the people to an extent in excess of that of the production growth and labor productivity and use all of the increase in national income on consumption, the accumulation of funds is bound to be affected and production and construction will be impaired. In this way, production will not be able to increase more quickly and the livelihood of the people will not continually improve. We should see that a very great change has already taken place in the condition of the economy as a result of the readjustment in recent years. On the one hand, the income of the overwhelming majority of urban and rural people has evidently increased and varying degrees of improvement have appeared in their material and cultural life. On the other hand, capital construction investment by the state has already been cut to a minimum. For the sake of ensuring the continued development of the economy, we must make appropriate increases in the future. The price subsidy shouldered by state finance has already taken up more than 30 percent of financial income, and this cannot be increased further in the future. The increase of purchasing power in society for several years has surpassed the increase in commodity supply volume, and the daily increase in surplus purchasing power is affecting the stability of market prices. These conditions explain the inadvisability of continuing the method of freezing accumulated funds to greatly increase consumption funds practiced in recent years, and the proportion between consumption and accumulation should be basically stabilized. Along with the development of production, the consumption level of the people will continue to increase in the future. However, the margin of increase should no longer surpass but should be lower than the margin of production increase. It should be suited to the increase in the production and supply of consumer goods. The accumulation rate may also be appropriately lowered a bit further, but this must be on the premise of increasing the indispensable absolute amount of accumulation. Only in this way can we continue to improve the livelihood of the people, and at the same time guarantee the essential expansion of production and construction and thus enable the livelihood of the people as well as production and construction to be closely linked together, promote each other and push forward the coordinated development of the national economy.

Proceeding from this kind of new condition and demand, for a number of years to come, the increase in the income of the peasants should rely mainly on developing agricultural production and lowering production costs, and should no longer rely mainly on raising the purchasing prices for agricultural products, lowering the base figure of requisition by purchase of assignment and expanding the range of negotiated prices. At present, the productivity and economic benefit of our industry are still rather low, our ability to accumulate funds is not very high, and a process is needed to change this condition. Therefore, the accumulation of a considerable part of the funds needed for giving impetus to modernization must still rely on agriculture. This is not only the bounden responsibility of the broad masses of peasants but also tallies with their fundamental interests. If we do not take into consideration the capacity of the national economy but continue to raise the purchasing prices of agricultural products, this will certainly raise the costs of industrial production, increase the subsidy of prices and reduce the accumulation of funds. This is detrimental to overall economic development. Moreover, by constantly raising the purchasing prices for agricultural products under the condition that industrial efficiency cannot be correspondingly increased, it will also be difficult to have enough industrial goods to exchange with the peasants. In this way, either the peasants with money will not be able to buy the industrial goods they need for the prices of industrial goods will also be readjusted upward. Such conditions are detrimental to economic stability and development, and in the final analysis, also detrimental to the development of agriculture and the continued improvement of the peasants' livelihood. For the sake of enabling the increase in production to be suited to the development of production, the extent of increase in the wages and bonuses of the workers and staff members should be lower than that of the production increase and labor productivity. If we want to increase income, we should concentrate efforts on raising labor productivity and lowering costs. We definitely cannot indiscriminately issue bonuses and subsidies without taking into consideration the actual increase in production and profit. Only in this way can we improve the livelihood of the workers and staff members and at the same time accumulate necessary funds, and can we balance market supply and demand, stabilize prices, guarantee the continued development of the national economy and create a more solid material basis for unremittingly improving the people's welfare.

When we say that we must appropriately control the increase in consumption based on the new situation, this definitely does not mean that we need not pay attention to the necessity and possibility of improving the people's livelihood. Ours is a socialist country, and our basic goal in carrying out production and construction is, in the final analysis, to satisfy the daily increasing material and cultural needs of the people. This is a basic principle we must always uphold. In recent years, although there has been a great improvement in the people's livelihood, many problems still exist. In the countryside, there has been not much of an increase in the income of the commune members of some poor and low-yield production teams, and the livelihood of the peasants in some areas affected by serious natural calamities is still very difficult. In cities and towns, the burden of some workers and staff members with low wages, less bonuses and many mouths to feed is still very heavy. For many families, housing is still in very short supply. Especially, the material treatment and working conditions for middle-aged intellectuals and workers playing a key role on various fronts are rather poor. We must attach great importance to these problems and adopt measures to solve them step by step. The standard of living of people throughout the country is also still rather low at present, and it must be progressively improved along with the development of production. The reason we emphasize accumulating necessary funds for carrying out construction is precisely for the sake of guaranteeing the continued improvement of the people's livelihood. We must appropriately link together the immediate and long-term interests of the people. In our country, we not only must not force down the normal consumption of the people to expand production and construction, but we also must not squeeze out or take over essential construction funds to improve the people's livelihood. We not only must not wait until we have made a success of construction before turning back to improve the people's livelihood, but we also must not wait until we have become better off before carrying out construction. The only correct policy is to take into consideration both construction and the people's livelihood so that they will develop in harmony.

III

For the sake of concentrating necessary funds to carry out the construction of major projects, we must also correctly handle the relations of funds allocation between the central departments, localities and enterprises. We not only must guarantee essential extra financial resources, but we must also enable the state to be in control of comparatively more funds.

For a long time, our defect in this respect was that because of overconcentration at the central departments, localities and enterprises lacked the necessary extra financial resources. This has on the one hand fettered the initiative of the localities and enterprises, and on the other hand, encouraged blind command in economic management and resulted in many negative consequences in economic development. In the past, the proportion occupied by local income in state financial income was rather low. This has now been increased. In the past, very little of the net income was retained by state-run industrial enterprises. Now this has been increased to about 12 percent. These changes, in addition to other reform measures, have played a very useful role in giving play to the initiative of the localities and enterprises and livening up the economy. The present problem is that some of the reform measures cannot be linked up. Many units do not strictly observe the financial discipline of the state. They arbitrarily increase the proportion of the profits retained by the enterprises and even cut off the income which should be handed over to the state, causing the allocation and use of funds to be unduly scattered. In 1981, the funds controlled by localities and enterprises outside the budget roughly equalled half the state financial income, and only about half of the total investment in capital construction of units owned by the whole people in the country was directly controlled by the state. On the one hand, state finance was in straitened circumstances and did not have enough funds for the construction of major projects. On the other hand, many units did not utilize the funds in accordance with the plans and policy demands of the state and blindly went in for projects aimed at purely expanding processing capacity. Such weak links as energy sources and communications in the national economy could not be properly strengthened, technical transformation focusing on energy conservation could not be quickly developed, and high energy consumption trades which should have been put under control continued to develop. Obviously, unless this state of affairs changed, the planned and proportionate development of the national economy would be adversely affected.

China has a vast territory and numerous enterprises. The conditions of various localities are vastly different, and moreover, changes are always taking place. For the sake of guaranteeing that localities and enterprises will be able to organize production activities in line with local conditions, we must give them the proper power including the necessary financial power. Especially as the economic development in the future will mainly be turned to intension, the emphasis will be placed on replacing the equipment of existing enterprises and technical transformation. This means that it is even more necessary to give essential power to the enterprises and localities so that they can improve their management and administration and raise their production technique in a manner suited to their own specific conditions. At the same time, we must also see that the power of socialist enterprises and localities is under the planned guidance of the state. The power for working out a nationwide comprehensive balance, its amount as well as its application, must contribute to and definitely not hinder the coordinated development of the whole economy. At present, such basic facilities as energy sources and communications are backward. However the transformation and construction of most of these basic facilities cannot be shouldered by the localities and enterprises and they must be planned, prepared and conducted in a unified manner by the state. At the same time, the present price system is not very rational. To a very great extent, it restricts our utilization of the economic lever to guide the enterprises and localities in making rational use of funds. The organizational structure of our enterprises is also not very rational, and the setup of many enterprises is very unrealistic. Such enterprises should be closed, their operations suspended, be merged into other enterprises or shifted to other types of production, and we must carry out reorganization and integration in accordance with the principle of specialized cooperation. All this explains the inadvisability of handing too much financial power to the enterprises and localities under the present condition. Otherwise, it will be difficult to use the limited funds where they are needed most and the development of projects highly beneficial to the national economy will be affected. Judging from the general situation at present, localities and enterprises already have too much financial power. We must make appropriate readjustments so as to guarantee that the state will still be able to concentrate necessary funds for the construction of major projects.

We must combine economic readjustment with strict financial and economic discipline, and wage a struggle against such offenses against law and discipline as random spreading of costs, cutting off income, evading taxes and wantonly increasing profits retained by enterprises. All practices running counter to the existing policies, systems and regulations of the state should be conscientiously corrected, all forms of tax evasion must be plugged up and all income which should be handed over to the state must be collected. At the same time, while continuing to implement the existing financial system and guarantee the proper decisionmaking power of the enterprises, we must also appropriately readjust the proportion of the allocation of central and local financial income as well as the proportion of profits retained by the enterprises in accordance with the actual conditions of different areas and trades. In the use of funds controlled by the state, we must also make appropriate concentration. We must emphasize using funds for the construction of such basic facilities as energy sources and communications and appropriately increase investment in the field of intellectual development. Construction in other fields should mainly be arranged by the localities, departments and enterprises based on their own funds and possible bank credit. In doing so, we are definitely not trying to slip back to the old rut of over-rigid control. In the process of concentrating funds, we should take into account the rational needs of enterprises and localities so that they will have the extra financial resources to do some of the things, which are not advisable to be carried out by the central departments, in a manner suited to local conditions, and thereby bring their initiative into full play. Moreover, we also cannot merely rely on this method of financial concentration of funds to guarantee the construction of major projects. We must also properly give play to the role of banks in raising and utilizing funds, and through bank credits, centralize idle funds in society and use them in a planned manner for production and construction. At the same time, the state must also implement administrative and economic methods to guide the orientation of the localities and enterprises in the use of their own funds and encourage them, by means of various forms of economic alliance, to use the funds where they are needed most by the state. In particular, we must use the funds for replacing the existing enterprises, carrying out technical transformation, conserving energy, cutting down the consumption of raw materials, improving product quality, strengthening the comprehensive utilization of resources and controlling pollution, and not simply trying to expand production capacity. In this way, under the condition of strictly controlling the scale of fixed capital investment of the whole society, we will be able to free funds for strengthening the construction of major projects, push forward the technical transformation of key enterprises and properly integrate and combine these two aspects. In the allocation of financial resources, we should take into consideration the needs of these two aspects as much as possible and guard against paying attention to one aspect and losing sight of the other.

On the question of rational allocation and correct use of funds, we must firmly establish the thought of "coordinating all the activities of the nation like pieces in a chess game." At present, many of the localities, departments and enterprises want to keep some funds to do more of the things they would like to do. This demand is understandable. However, if we do not take resolute as well as realistic and practical measures to guarantee the construction of essential major projects, such basic facilities as energy sources and communications will not go forward, excessive energy consumption will not go down and it will be difficult to enliven the overall situation of the national economy. Under this condition, the development of the various parts will certainly be greatly affected. Conversely, only with the appropriate concentration of funds to strengthen the construction of major projects can the proportion between supply and demand in such fields as energy sources and communications be coordinated with each passing day, and can there be favorable external conditions for the development of various localities and enterprises.

CSO: 4004/6

THE TWO CIVILIZATIONS MUST BE GRASPED SIMULTANEOUSLY

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[Article by Sanming Municipal CPC Committee Secretary Yuan Qitong [5913 0796 1749]]

[Text] In his report to the 12th party congress, Comrade Hu Yaobang pointed out that it is a strategic principle of our socialist construction to build a high material civilization simultaneously with the building of spiritual civilization. He stressed: "Whether we are able to persist in this principle is related to whether socialism will thrive or fail." In recalling practice over the past few years, we have deeply realized that the principle of "grasping the two civilizations simultaneously" put forth by the CPC Central Committee is correct and this principle has pointed out the orientation for realizing the socialist modernization program of our country. The following are some experiences gained in the work carried out by Sanming municipality in implementing the strategic principle of the CPC Central Committee.

Sanming municipality is a newly arising industrial city in Fujian Province. It has made certain achievements since it was constructed in 1958. However, as a result of the influence of "leftist" guiding ideology and sabotage during the 10 years of turbulence, the construction of the city left much to be desired. For example, the housing situation was tight, the number of commercial centers were limited, traffic was congested, public order was chaotic and there were limited cultural and recreational facilities. The masses said the city was characterized by no electrical lighting, uneven roads, ineffective telephone facilities and an unstable social order. Industrial and agricultural production was seriously affected. Following the 3d Plenary Session of the 11th CPC Central Committee, we eradicated "leftist" guiding ideology and stepped up our leadership over work in various aspects. Thanks to this work, the city began to take on a new look.

Since last year, we have studied the directives of the CPC Central Committee on "grasping the two civilizations" and have realized that in order to build the city into an industrial city with "political stability, economic prosperity, advanced culture, a beautiful environment and convenient life," it is necessary to grasp the building of material civilization simultaneously with the building of spiritual civilization. Work in these two aspects must be arranged in a unified manner so that they will also be able to develop simultaneously. The building of the two civilizations covers many aspects such as politics, economy, culture and ideology. In carrying out the building of spiritual civilization, it is necessary to solve urgent problems and carry out work more effectively so as to promote the development of material civilization. We have based ourselves on the spirit of the directives of the CPC Central Committee and the demand of the masses and have spared no efforts in improving environmental hygiene, cleaning the environment, planting trees and beautifying the city. Efforts have also been made to improve social safety in a big way and traffic order, carry out municipal construction, repair roads, construct housing, add commercial centers and build parks and cultural and recreation facilities. At the same time, we have also launched mass campaigns of "learning from Lei Feng and fostering new habits" and "five stresses and four beauties." In March this year, we also launched a large-scale civility and courtesy month drive across the city. Thanks to these efforts carried out over the past 2 years, the city has taken on a new look while the people's living standard has been improved considerably. The newly built housing facilities cover 330,000 square meters, equivalent to the total space of the housing facilities built in the past 2 decades and more. More than 270 new commercial service centers have been added; this figure is more than double the previous number. In downtown areas, 16 streets and lanes have been built or repaired. In addition, we have also constructed waterways totaling 6,000 meters in length and built 21 latrines; we also have built and expanded 8 parks and scenic spots and planted 500,000 trees. Considerable achievements also have been made in improving hygiene and restoring social order. The sanitation situation has been greatly improved. In the first 8 months of this year, cases of epidemic diseases were 40 percent less than the same period last year. Social safety and public order have been greatly improved. In the first 8 months of this year, the number of criminal cases dropped by 41 percent compared with the same period last year. Undesirable work styles in commercial and service trades, characterized by "inaccessibility, reluctant attitudes, offensive remarks and delays in work" have begun to change. More than 25 percent of the total population in urban areas have taken part in the activities of "learning from Lei Feng and fostering new habits" and they have done much work in the interests of the people. A new atmosphere has emerged in party work style and the people's work style throughout the city.

Changes in the outlook of the city, improvement in the people's life, particularly improvement in ideological consciousness, have enabled the broad masses of cadres and people to fully display their socialist initiative and promote production in a big way. Gross industrial output value in 1981 was 9.3 percent higher than 1980, while agricultural output value increased by 18.3 percent. The average per capita collective income of commune members increased by 36 yuan to reach 190 yuan. Financial revenue increased by 7 percent. Gross industrial output value has continued to grow this year. In the first 8 months of this year, it was 18 percent higher than the same period last year, while the figure for March, June and August was the highest monthly output value in the 24 years since the city was built.

The great changes experienced by the city over the past 2 years proves that the two civilizations promote each other and are indispensable. Spiritual civilization must have material civilization as its foundation and the building of the former can in no way depart from material conditions. At the same time, the building of material civilization cannot depart from the building of spiritual civilization; the latter not only has a tremendous motivating role for the former but also guarantees that the former will develop along a correct orientation. With regard to the work of a city, there is no doubt that, first of all, it must do a good job in production and economic work, as these are basic tasks. But to grasp economic work does not automatically mean that a good job is being done in socialist construction. It is only when we are able to grasp socialist material civilization simultaneously with grasping socialist spiritual civilization that we are carrying out socialist construction in an overall way. So spiritual civilization represents an important feature of socialist material civilization and is an important manifestation of the superiority of the socialist system. Without the construction of socialist spiritual civilization, we will not be able to build material civilization well; even if we are able to build spiritual civilization, it will not last long and cannot be consolidated; it may even be eliminated. This situation has been proved through historical experience. Therefore, the thinking and method of putting these two civilizations in contradiction and neglecting the building of spiritual civilization are incorrect; neither is it right to consider grasping spiritual civilization as grasping a minor matter instead of an important matter.

To grasp the building of the two civilizations well, particularly the building of spiritual civilization is in fact a revolution of transforming traditions and habits and transforming society. The aim of this revolution is not only to change social outlook but also to change people's spiritual outlook. Therefore, it involves every family and every member of society. Following the 10 years of turbulence, the problems of "dirt, chaos and backwardness" in the city were very common and serious and social order was seriously damaged. In addition, there were also the influences of various wrong ideologies, old habits and old traditional concepts. Therefore, there were many difficulties confronting us in the building of the two civilizations. We understand from our practice that we can implement the guiding ideology of "grasping the two civilizations simultaneously" well and make new achievements in the building of the two civilizations only when we are able to work with revolutionary zeal.

In order to work with revolutionary zeal, it is imperative to oppose the thinking of attempting and accomplishing nothing and the attitude of fearing to overcome difficulties. It is also imperative to foster the ideology that considers everything from the point of the interest of the people and to carry out work well. Each task must be carried out faster and achievements must be made. We have done our work in this way and consequently many construction items have been speeded up. For example, we built the Qiling Mountain Park on a total space of more than 600 mu at the top of the mountain in only 1 year. The building of street flowerbeds of more than 2,000 square meters on 3 major streets was completed in only 2 weeks.

To work with revolutionary zeal, it is also imperative to oppose irresponsible attitudes and to advocate the attitude of daring to shoulder responsibility and to solve problems. In order to solve the problems of dismantling and removing houses to give way for the extension project of the Hongqi Road North and Dongxin Road II, leading comrades from the municipal party committee, municipal government and municipal construction departments visited Xubi Estate on five occasions in August last year to investigate the situation of the masses and to carry out meticulous ideological work. As a result, the old problems of dismantling and removing more than 40 houses were resolved and the projects of the two streets that had been delayed for 8 years were at last completed. Dismantling work in other sections of the projects have also been resolved one after another following meticulous ideological work.

To work with revolutionary zeal, it is also imperative to oppose the work style in which cadres confine themselves to their offices, from where they give guidance irrespective of reality, and to encourage leading cadres to go deep into reality, carry out work on the spot, set examples through their own deeds and solve difficulties wherever they crop up. Over the past year and more, we have organized leading cadres to carry out work at the grassroots level on more than 10 occasions. On the eve of the last Spring Festival, leading comrades from the municipal party committee and municipal government, with exception of a few comrades who remained on duty, led more than 1,200 cadres above the level of deputy bureau director throughout the city to carry out work on several fronts to grasp the situation of market supply at the grassroots level, grasp the work of cultural and recreational activities of the masses, transform the scenery of the city, improve social safety and public order and arrange industrial and agricultural production during the holidays. As a result, we have been able to promote the work of various departments, improve the people's material and cultural lives and train cadres and promote the relationship between the party and the people. Exemplary deeds of cadres have educated and encouraged the masses of people who have consequently been able to enlighten their spirit and increase their confidence in socialist construction and the party.

Communist ideology is the core of socialist spiritual civilization. The primary task of building socialist spiritual civilization is to educate people with communist ideology and communist morality so that more and more members of society will become workers with ideals, morals and culture and who abide by discipline. Because of the grave consequences of the 10 years of turbulence, this kind of education is particularly pressing at present. We have grasped this work in connection with other work and with emphasis on party ideological building and the ideological and political work of the masses.

The building of party ideology supports the building of social spiritual civilization. The ideological level and work style of the broad masses of party members, particularly party cadres, have a direct effect on the ideology and morality of the whole society. Therefore, improvement in the ideological level of the broad masses of party members and basic improvement in the party's work style play a decisive role in the building of socialist spiritual civilization. Over the past year and more, we began this work among the standing committee members of the municipal party committee while party organizations at various levels began the work of rectifying the party's work style as the key subject in organizational activities. This work includes the following: 1) Party members have been organized to study a series of directives of the CPC Central Committee and carry out education on persisting in the five basic principles so as to solidly foster communist ideals and concepts. 2) Following the principle of rectifying work style and the principle of party constitution and inner-party political activities, education has been strengthened on party character, party discipline and party work style and criticism and self-criticism launched. At the same time, party members have been educated on how to maintain the purity of their ideology; this work has been carried out in connection with measures to hit at criminal activities in the economic sector and to fight against corrosion. 3) The combat capability of party organizations and the ideological level of party members have been tempered and improved through practice in the building of the two civilizations. Work has also been carried out to regularly check, examine and appraise the ideology, work style and practice of all party organizations and members throughout the city. During the launching of civility and courtesy month, the municipal party committee organized more than 800 cadres above the level of party branch members at grassroots level across the city to conscientiously study the directives of the CPC Central Committee. At the same time, all party members were organized to take part in the building of the two civilizations; in this work they have played the roles of both propagators and fighters. Thanks to the vanguard and exemplary roles of all party members, the civility and courtesy month was carried out smoothly.

People are the masters of history as well as the builders of the two civilizations. It is only when people are armed with communist ideology and moral concepts that they can display to the utmost their initiative and creativity and promote the constant development of the building of the two civilizations. Therefore, we have proceeded from reality and used various methods to carry out education on revolutionary ideals, morality, discipline and law and education on social morality, professional morality and marriage and family morality among cadres and masses in various trades, particularly among youths. The masses were organized to work out various rules and regulations on the civilizations as criteria for their deeds. This work is aimed at enabling people, in their common social life, to consciously follow communist spirit, correctly handle the relationships among the state, collective and individuals, correctly handle the relationships among people and foster collective and patriotic ideology and the sense of responsibility as the masters of their own country. We have also taken active measures to lead the masses in launching the campaign of "learning from Lei Feng and fostering new habits" and creating civilized units so as to foster good morality. We have also taken a clear-cut stand in commending and supporting new people and new things that have demonstrated communist spirit and have hit at bad habits and traditions and undesirable persons and things. In order to carry out ideological work well and promote the work of various aspects, we have since May last year transferred more than 6,600 people from government organizations and enterprises and formed them into 10 propaganda teams. These teams are assigned certain work in certain places for maintaining social safety and environmental hygiene, public traffic order and to help in service trades and eliminate spiritual pollution. These teams have carried out ideological and political work at the grassroots level to become a backbone force in the building of the two civilizations. Great changes have taken place in social practice thanks to education. During the civility and courtesy month over 100 advanced units and over 4,000 activists emerged.

Marxism states that the basic purpose of socialist construction is to meet the increasing needs of the people's material and cultural life. In the final analysis, the purpose of doing a good job in the building of the two civilizations is also to realize this goal. Therefore, we carry out our work according to the specific conditions of our city, grasp the work that is urgently needed by the masses and solve problems so as to do more and better work. The present Hongxing shopping center is built on the site of a former rubbish dumping ground that had seriously affected municipal scenery and environmental hygiene over the past many years. Measures were taken to clear the rubbish and build a shopping center with 27 state-owned and collective shops as well as individual shops that sell food and daily necessity goods. In this way, we have not only removed the heaps of rubbish but also improved the scenery of the city, activated the market, brought convenience to the masses, arranged employment and added income for the state. Basing themselves on the desires of the people and their own specific conditions, various trades have taken measures to solve such problems as housing; coal supplies; vegetable supplies; commercial centers; traffic; recreation activities, such as movies, operas and television programs; latrines; and sports activities. As all problems have been gradually solved, a more convenient living environment for the masses consequently has been formed. Through their own experiences, the broad masses of people deeply understand that to "grasp the two civilizations simultaneously" is not only in the long-term interest of the state and the nation but is also in the interest of each member of society and therefore they have become more determined in building the two civilizations.

However, the work we have done over the past 2 years is far from enough. We only have made limited and initial achievements in the building of the two civilizations and these achievements are still far from what is demanded by the party. But we understand that these achievements represent a good beginning. Now, the broad masses of cadres and people are able to measure their work from the point of the two civilizations and relate their various concrete work with the long-term goal. This situation has provided us with a better ideological foundation for building the two civilizations on a larger scale in the future. At present, it is imperative for us to do a good job in studying and disseminating the spirit of the 12th party congress. In particular, we must do a good job in studying and disseminating the importance of building a high socialist spiritual civilization, in carrying out the activities of the "five stresses and four beauties" and in further displaying the initiative of various departments and units so as to further overcome the conditions of "dirt, chaos and backwardness." I am fully confident that with the encouragement of the spirit of the 12th party congress and under the guidance of the correct principles of the CPC Central Committee, we will be able to make new achievements in the building of the two civilizations.

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SERIOUSLY CARRY OUT THE WORKERS' CONGRESS SYSTEM

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[Article by Yu Yannan [2456 3601 0589]; passages within slantlines published in boldface]

[Text] China's experiences in socialist construction illustrate that the workers congress system under the control of party committees has raised the working class' sense of mastery and responsibility, as well as activating their enthusiasm to manage affairs and correctly set up the basic organizational style of socialist enterprise. The "Provisional Regulations of the Workers Congress in State-Owned Industrial Enterprises" drawn up by the CPC Central Committee and the State Council (referred to hereafter as "the regulations") clearly outline the powers of the workers' congress based on state governmental policies and laws and planning demands. These powers relate to enterprise production, management and distribution as well as cadre surveillance, election, recall, etc. This is the successful result of the party's guidance of the working class in the development of socialist democracy and carrying out the systematization of the democratic management of enterprise. Furthermore, it is an embodiment of our party's total reliance on and trust in the working class under the historical conditions of modernized construction. After the publication of the regulations, every region and department quickened the pace of introducing the workers' congress system. Up until the end of last year, the number of enterprises and units that had introduced the workers' congress system stood at around 101,000. Most medium and large-scale industrial enterprises in Beijing, Tianjin, Shanghai, Shenyang, Harbin, Guangzhou, Nanjing and Chongqing had all basically completed the popularization of the system.

In the last year, many enterprises have been working very seriously in accordance with the regulations and the workers' congress has played an active role in improving administration and management, correctly solving internal enterprise contradictions, strengthening surveillance of cadres, etc. However, in national terms, the general situation concerning the introduction of the workers' congress system is not well balanced. The proportion of well organized workers' congresses is small and a great many work units have set up workers' congresses which display varying degrees of formalism and perfunctoriness and of which, of course, most workers are very critical. Thus, the pressing task which now faces today's enterprises is to satisfactorily and completely put the workers' congress system into effect and ensure that the working masses are able to enjoy all the democratic powers outlined in this system.

/I. Continue to raise the consciousness of the broad mass of cadres, in particular the enterprise leaders, regarding the importance of implementing the workers' congress./

Some work units which have already set up workers' congresses but without success, find that the main reasons for this lack of success lie with the leading cadres of the units. Many leading cadres are not accustomed to putting workers' congresses into action and fear the power of such congresses as well as the loss of their own power. In some enterprises, party organizations have taken on the work of the workers' congresses themselves and insist that all affairs, whatever the size, must be discussed by the party committee, getting the consent of the workers' congress afterward. Some leading administrative cadres only want to make use of the workers' congress when they are faced with problems that they themselves cannot solve, such as only partially fulfilled production quotas, and thus are not in the least interested in allowing the workers to enjoy their democratic powers, feeling that democratic management with everyone having a say will hinder the realization of the foreman responsibility system. Some people even feel that enterprises should be in complete control of foremen and managers appointed by the state, with workers powerless to participate in management. All this illustrates that some people have a confused understanding of or misconceptions about recognizing workers' positions as masters of the enterprise and the reasons for carrying out democratic management in socialist enterprises as well as the basic relationship between state-employed personnel and the working masses. Such misunderstandings must be quickly clarified.

Democratic management is a necessary part of the socialist system of public ownership of the means of production and is, indeed, a reality of it. Distribution according to work is another reality of such a system. The establishment of the socialist system of public ownership of the means of production means the thorough eradication of the relationship of exploiters and exploited, laying a material foundation for the workers to become masters of enterprise management. For the workers to become masters of the means of production is by no means an empty, abstract concept; there is a very full and concrete content to it. It includes the need for workers to have authority and power when involved in enterprise production, administration and distribution activities as well as the election, surveillance and recalling of the enterprise leadership; in other words, anything related to enterprise management or the workers' personal interests. Thus, the workers should use suitable channels and means to participate in actual and not merely nominal enterprise management. If workers only have labor rights within an enterprise and are deprived of management rights, then their position as masters of the enterprise has not been fulfilled or, if it has, then in name only. Mao Zedong pointed out that we should not come to understand the power of the people to mean only labor powers, education and social security. The workers' power to manage the state, enterprise and cultural education is the most basic of powers. If democratic management is not carried out in our socialist enterprises, then the working masses are not able to involve themselves in important economic activities, are not able to carry out surveillance of enterprise leaders or carry out the democratic election or recalling of enterprise leaders within the specific limits laid down by the laws and regulations. Thus, how does the fact illustrate itself that the workers are masters of the means of production and in charge of enterprise management? Hence, in very basic terms, supporting democratic management means also supporting the workers as masters of the means of production and, also, the socialist system of public ownership of the means of production.

State-run enterprises belong to the whole nation and the workers in such enterprises are part of the nation. Not only do they, along with the rest of the population, possess the means of production of their enterprises, but they also make direct use of the means of production in their enterprises and carry direct responsibility for organizing all affairs in the enterprises. Power and responsibility cannot be separated. Because of the workers' closer relations with the enterprise's means of production, the production process and production results, they have a more direct and greater right to say how these means of production should be organized and used, how production technology should be improved and how economic efficiency should be raised, than other workers in enterprises and than other workers in general. Thus, while the management of state-run enterprises manifests itself through unified state plans, policies and decrees, through instructions from higher authorities and through the direct role played by the directors of the enterprise, democratic management of the enterprise by the workers and staff is also necessary, in accordance with the rules and regulations set by the state and higher authorities and through proper organizational forms. These two are not contradictory but should combine and work together to unite the interests of the state, the collective and the workers, thereby ensuring the quality of state-owned enterprises and helping the workers become masters of their work while fuelling their enthusiasm and creativity.

At present, the workers' congress system is a fundamental system guaranteeing that the working class will act as masters of our society. By making use of the workers' congress system, the workers can make use of democratic powers in their enterprise to become the masters of their situation and this is an important part of the move to strengthen socialist democratic construction. But the leaders in some enterprises have forgotten that the party should direct and support the workers' move toward mastery over their affairs and such people wrongly feel that giving power to the workers' congress and allowing the working masses to exercise power will destroy the leadership of the party committee. This is completely wrong. Ignorance or deprivation of the workers' democratic rights will not be tolerated. Such people are in fact not recognizing the workers' position as masters of their affairs and they have forgotten that they themselves have been appointed by the state and the people to take up their public office of duties and they either consciously or subconsciously place themselves in a position above the people. They do not realize that if the workers in an enterprise do not become the masters of their affairs then their sense of responsibility and their enthusiasm toward politics and production will suffer greatly, indeed may be eliminated completely. Full expression of the workers' production enthusiasm is one of the fundamental advantages of the socialist system. We should do a lot of serious thinking about the extent to which the advantages of the socialist system give expression to such things, as well as the basic position of cadres within a socialist state. Misconceptions and mishandling of such things should also be thoroughly corrected.

Investigative materials illustrate that, at present, relations between cadres and the masses in some enterprises are very uneasy. The workers lack the democratic powers that are their right and this has already influenced their political and production enthusiasm. In China's enterprises the problem of cadre/masses relations is to a large extent a question of party/masses relations. The main reason for bad cadre/masses and party/masses relations lies in the lack of basic alterations in party lines. Some leaders and cadres use underhand means to arrange favorable positions for their children. Promotion, housing and other questions affecting the interests of the working masses are abused by these people for themselves and their relatives. These wrongful activities directly injure and destroy the moral of the working masses and directly harm the image of the party in the eyes of the working masses. Under such conditions, the workers desire with even greater fervour stricter surveillance of the cadres and leaders. A major reason for the insistent demands of the workers to introduce the workers' tribune system is that such a congress would provide them with a tribune to help them realize their democratic rights. These demands made by the working masses are very reasonable and fully in accord with the party's aim of achieving a high level of socialist democracy in China. China's cadres, especially those involved in the running of enterprises should take a serious and deep look at the workers' position, their demands and their voice and come to grasp the essence and significance of the CPC Central Committee and the State Council's move to realize the workers' congress system and should, with a high degree of political responsibility, move forward with the working masses to strive to realize the workers' congress system.

/II. Lay out and improve the regulations for the workers' congress system and ensure that the working masses fully enjoy the democratic powers set up for them within such a system./

Historical experience tells us that acquisition of correct knowledge, the establishment of a set of important principles and the transference of such knowledge and principles into the minds of the masses and getting the masses to accept them so that they become a part of the behavior of the masses, is often a repetitive and tortuous process of development. Democratic management developed as an important principle in the early 1950's in China and indeed the workers' congress system was put to a trial run in several enterprises. As a result of a variety of reasons the system had its ups and downs until after the 3d Plenary of the 11th National People's Congress the party officially produced the "Provisional Regulations for the Workers'

Congress in State-Owned Industrial Enterprises"—a decisive and significant step in the systematization and legalization of the system of democratic management. But the coming into being of these regulations did not solve everything, for the actual implementation of these regulations still requires a great deal of work. Every region, every department and every unit should draw up and complete feasible and detailed rules for the implementation of the regulations, based on the actual situation in which they are involved. In addition every article and every clause of the regulations should be made concrete so that when the workers in an enterprise make use of their democratic powers, there exist concrete methods to be followed. Without the application of detailed rules things laid out in the regulations cannot be implemented very easily, nor can investigations be conveniently carried out. For example, the regulations state that the workers' congress has the power to decide workers' housing distribution. In the course of implementation an enterprise can make this more concrete and based on the actual regulations and the realistic situation of that particular work unit, additional and subsidiary rules may be drawn up: 1) the workers' congress should discuss and decide those who are to sit on the housing committee and ensure that duties are carried out correctly based on the support of the principles drawn up by those who have faith in the masses; 2) conditions for housing allocation should be decided by the workers' congress; 3) concrete plans for housing allocation must be decided by the workers' congress and then announced to the workers. Such plans include how many houses are to be built, the conditions for housing allocation and who gets what. With these supplementary rules, the working masses are able to fully exercise their democratic powers in the allocation of housing.

After the publication of these regulations, the party Central Committee went on to publish "Provisional Regulations for the Working of Foremen in State-Owned Factories" and "Provisional Regulations for the Work of Chinese Communist Industrial Enterprises Grassroots Organizations." These three sets of regulations brought about new sets of rules for the internal leadership and management system in China's industrial enterprises. Questions such as how these three sets of regulations should be linked, how the workers' congress system, under the command of the party committee can be united with the foreman responsibility system under the command of the party committee within one single enterprise and how the party committee can command but not completely monopolize or take over all need more detailed and concrete regulations and should be incorporated into the restructuring of the economic system to gradually try to establish a complete system of rules and regulations.

Today, the workers' congress system has been spread throughout the country and in the process of carrying out this system the working masses must construct and advance. The new and fresh experiences that they have gained should be timely assimilated and propagated so that the workers' congress system can be improved on. In recent years some enterprises have taken the assessment of cadres as an important role and function of the workers' congress, and this is something which we should watch very carefully. Under the leadership of the party committee one electric locomotive repairs factory carried out cadre evaluation and assessment activities in their workers' congress throughout 1980 and 1981. The cadres of this factory felt there was no essential difference between cadres and workers and that one should not allow cadres to criticize workers without workers being able to criticize cadres. Cadres who originally had misgivings about such system now say that "The system whereby the workers' congress criticizes cadres is very good, for in this way both the cadres and workers are able to express what otherwise would have been suppressed inside themselves. They can then come to a mutual understanding and make forward progress. Working in this way everyone is able to carry out factory affairs much more successfully." The experiences of other work units who have also put such assessment programs into operation also suggest that strict assessment of cadres over a set period of time by the workers' congress is a very viable and feasible method of strengthening workers' surveillance of cadres and should be popularized throughout the country's enterprises. Of course, during the process of cadre assessment, the workers must be taught to correctly make use of their democratic powers and to correctly handle cadres' faults and mistakes. In situations where conditions are ripe, a transition must be made from the masses' assessment of cadres to the democratic election of cadres within specific limits.

/III. The working masses should actively participate in democratic life such as the workers' congress and ceaselessly strengthen their own ability to master their affairs./

The direct democracy that the workers' congress represents is an important component part of socialist democracy. Because socialist democracy is a new kind of democracy in the history of mankind and because of the lack of a democratic tradition in old China because of the rule of the exploitative classes, the ordinary masses lack training in democratic life. In addition to this, the 10 years of social chaos under the anarchistic rule of Lin Biao and the "gang of four" which tried to pass itself off as socialist democracy has still not been entirely cleared up. Thus today, China's working masses still lack experience in how to correctly and effectively make use of this new style of democracy known as the workers' congress to strengthen the democratic management of enterprise. The workers should concentrate on checking their own weaknesses in this area and actively try to learn and understand so that they may increase their own democratic accomplishments and strengthen their ability to be masters of their affairs. The past 30 years of cultural education has meant that the present cultural level of the working masses is much higher than it was during the early years of new China. Indeed, a certain level of cultural knowledge is a vital condition for a democratic life style. The advantage of our position is that our workers do not participate in management as separate individuals but participate in management by organizing together and collectivizing their knowledge and strength. Some people feel that while division of labor still exists in the present stage of China's development, the restrictions of the division of labor prevent workers from understanding enterprise production, administration and distribution and other facets of the overall enterprise situation. They feel that the workers do not possess the necessary skill and knowledge for such areas and for these reasons should not participate in enterprise management. Such an opinion is both incorrect and one-sided. For one thing, worker representatives possess the character of the working masses, meaning not only individual workers involved in production but also engineers and technological personnel, administrators, leading cadres and other work personnel. Of course, production workers represent the greater part. By organizing these people together and pooling their wisdom and strength it is often very easy to solve problems that individual cadres found insoluable and thereby ensure that decisions to major enterprise problems are in the best interests of the working masses and reflect in a more all-round and accurate way the regularity of objectivity. When Lenin discussed the task of developing socialist democracy he said: "We can complete this task, we can teach the infinite number of working masses to manage the state and manage industry, we can develop real work and we can destroy the deep-rooted prejudices that have existed for so long amongst the working masses, namely that administration of the state is a matter for the privileged few and is a refined skill." ("Complete Works of Lenin," Vol 28, p 405) Under the guidance of the party, China's working class is perfectly capable of coming to understand and learn the economy, politics, cultural and other social tasks necessary for administering the state.

Those workers elected as worker representatives should of course strive hard to learn and understand the knowledge and ability needed to be their own masters. On the one hand such representatives should make full use of their naturally intimate relationship with the working masses and should possess rich practical experience. On the other hand, they should actively learn the party line and party policies and the necessary knowledge for the administration and management of an enterprise, as well as the basic facts related to socialist democracy and the legal system. Only in this way can the worker representatives correctly and effectively exercise the democratic powers laid out in the workers' congress system and thereby live up to the trust and expectations placed in them by the working masses. Cadres and leaders on every level of the enterprise should make conditions favorable for the worker representatives to learn and establish necessary conditions for the fulfillment of their own duties. Workers' representatives should of course, without doubt consciously accept the correct guidance of the party committee and make conscious efforts to preserve the rightful authority of the foreman and conscientiously support the struggle against such incorrect phenomena as anarchy, out and out egosim and selfish departmentalism.

We believe that, fired by the enthusiasm of the party, the workers' congress system may be carried out and practiced more keenly and more widely throughout the country that the working class will play an increasingly important role in the establishment of a high degree of socialist democracy.

CSO: 4004/6

HOW TO STUDY THE FOURTH PART OF THE REPORT TO THE 12TH CPC NATIONAL CONGRESS

Beijing RED FLAG in Chinese No 20, 16 Oct 82 pp 42-45

[Article by RED FLAG Editorial Office for Theoretical Education; passages within slantlines published in boldface]

[Text] The subject of establishing a high level of socialist democracy mentioned in this section is one of the basic aims and tasks of the new historical era of the party. Here we will look at the important content and basic principles involved in establishing this high level of socialist democracy. In studying this section we must grasp three major points:

1. The major significance of establishing a high level of socialist democracy.

2. The main content of establishing a high level of socialist democracy.

3. The relation between class struggle and establishing a high level of socialist democracy.

/In studying the first point, a deeper understanding may be achieved in two ways. 1) Why is the establishment of a high level of socialist democracy a fundamental aim and task; and 2) integration into reality and correct misconceptions concerning the question of democracy./

The report says that the construction of socialist material and spiritual civilization depends on the continued development of socialist democracy for support. One of our fundamental aims and tasks is to establish a high level of socialist democracy. The fact that the party has made the establishment of a high level of socialist democracy a fundamental aim and task arises from the fact that China is a nation where the people are masters of the state and our socialist cause is the common cause of all the people. Only with a high level of socialist democracy will it be possible to raise the masses' sense of mastery and allow them to fully exercise their powers in managing the state and to ensure that developments in all our undertakings conform with the interests, the will and the expectations of the people, and to ensure effective dictatorship over the handful of hostile elements who seek to destroy our socialist undertakings. In this way we will promote the smooth progress of the establishment of socialist cultural and spiritual civilization. Some comrades wonder why it is only a high level of democracy which is our fundamental aim and task and why not a high level of centralization as well. The reason is because the high level of democracy of which we talk relates to the question of the fundamental system of our country or state and the question of the position of the masses within the state. From a Marxist point of view, the most important and basic implication of socialist democracy is that the entire population should enjoy the highest degree of power for managing the state on the basis of the public ownership of the means of production. In the "Communist Manifesto" Marx and Engels pointed out that "the first step in the workers' revolution is to elevate the proletariat classes to the position of ruling classes in the struggle for democracy." ("Selected Works of Marx and Engels," Vol 1, p 272) Lenin said: "Democracy is a form or style of a state." ("Selected Works of Lenin," Vol 3, p 257) The Constitution of the PRC states that all the power of the PRC belongs to the people. Taking democracy as the fundamental state system, it cannot be placed along with centralization and thus "a high level of democracy" and "a high level of centralization" cannot be mentioned together. Democracy and centralization are questions of form of government and are thus also questions of organizing every level of government in accordance with the principles of a system of democratic centralization. Within these limits, we should bring about a link up between a high level of democracy and a high level of centralization and thus put into practice a high level of centralization on the broad base of democracy.

Since "a high level of democracy" refers first and foremost to a state system why then is the establishment of a high level of socialist democracy taken as only a fundamental aim and task? Why is no mention made of dictatorship? We should remember that China is run on a system of the people's democratic dictatorship. Such a system, as the report pointed out, ensures that the workers, who represent the vast majority of the population are masters of the state and also guarantees that efficient dictatorship is carried out against the small proportion of enemy elements intent on destroying the socialist cause. Today, class relations in China have already changed a great deal. The exploitative class has already been eradicated. Class struggle is no longer the major social contradiction and most social contradictions are now no longer of the nature of the class struggle. Because of this, we can use the principles of the system of democratic centralization to solve contradictions. Under such circumstances the establishment of a high level of socialist democracy and the development of democracy among the people both take on an even greater importance. The most important task of China's political construction is thus to develop the socialist democracy already established, both gradually and sequentially. The greater the development of the people's democracy, the greater the efficient dictatorship over the small hostile element within our society. Thus, making the establishment of a high level of socialist democracy the most important of our aims and tasks does not mean that the dictatorship over the small hostile element will be ignored; rather it includes such dictatorship.

Not everyone understands fully the importance of establishing a high level of socialist democracy. If we take a look at the class nature of China's system of the people's democratic dictatorship we can see that in historical terms it is the most democratic system and is incomparably superior to capitalist democracy. It is the democracy of the masses replacing the democracy of the small minority, it is true democracy replacing false democracy. As Lenin said, this new style of socialist democracy "is a hundred times more democratic than any bourgeois democracy." (Ibid., p 634) If one does not understand this, then one has not grasped the most fundamental things of a Marxist country's doctrines. But the system of socialist democracy and democratic life itself has a developing and constantly improving process to it. The several thousand years of feudal society in China have meant that economics and culture are fairly backward and lacking in democratic tradition. Despite the great work carried out by the party since the founding of new China in terms of establishing socialist democracy, the construction of a democratic system was seriously influenced by the later emergence of "leftist" errors. What was particularly disastrous to the socialist democracy were such counterrevolutionaries as Lin Biao and Jiang Qing who tried to set up a fascist so-called "total dictatorship." The result of this was that some comrades became very accustomed to any and all kinds of undemocratic phenomena and lacked the necessary faith in the development and fulfillment of socialist democracy. Since the 3d Plenary Session of the 11th Central Committee, the party has corrected these "leftist" mistakes and has continuously made the establishment of a high level of socialist democracy the most important aim, carrying out repeated mass education and making use of many large-scale measures.

Nevertheless, we should remember that the "leftist" influence has not been totally eradicated in terms of the establishment of socialist democracy and there are still many ideological barriers which must be overcome. Both the establishment of a people's system and the development of a democratic life style are very far removed from the demands of establishing a high level of socialist democracy and thus we still have a long period of hard work ahead of us. On the other hand the democracy problem is still being disrupted and attacked from the right. Some people cannot recognize the fact that socialist democracy is in its essential character incomparably better than bourgeois democracy, nor do they recognize that bourgeois democracy "is a heaven for the rich but a trap and a hoax for the poor and the exploited." Such people praise bourgeois democracy and freedom to the skies, speak of it highly without analysis and even oppose the four fundamental principles in order to laud the freedom of the bourgeoisie. If we allow such mistaken rightist thinking to spread unchecked, we will find ourselves in a situation of anarchy with a shattered, disunited political situation. These two incorrect ways of thinking are mutually influential. When we study we must take care to bring things into line with reality and take another step forward in overcoming these deviations and come to fully understand the importance of establishing a high level of socialist democracy and supporting the correct development of socialist democracy.

/In studying the second important point, we should come to a deeper understanding of the following four points on the basis of bringing together theory and practice. 1) Restructure and improve the democracy system and allow democratic life to pervade every area of society according to the principles of the system of democratic centralization; 2) the systemization and legalization of socialist democracy; 3) develop peace, unity and mutual assistance between races, based on socialist race relations; 4) continue to consolidate and strengthen patriotic unity./

All the power in our country belongs to the people and when exercising this power the people must follow the principles of the system of democratic centralization. The system of democratic centralization means centralization on the basis of democracy and the mutual bringing together and unification of democracy under the guidance of centralization. This is the fundamental guiding principle of completing the democratic system and developing democratic lifestyles. Only with centralization based on democracy can we correctly embody the interests and will of the people and only with democracy under the guidance of centralization can we ensure that the people will effectively exercise their democratic powers or rights. In the past, some people said that democracy and centralization were diametrically opposed to each other, saying that with democracy there was no need for centralization and with centralization there was no need for democracy, not understanding that the two are dialectially united. These one-sided and mistaken views create confusion in the support for the principles of the system of democratic centralization and they should be cleared up as soon as possible. Only if we carry out the principles of democratic centralization in full can we successfully restructure and improve the political system and the system of leadership in China and ensure that every level of the state organs is established on a broad democratic base and with a high level of centralization effective leadership and organization of socialist construction. Socialist democracy still needs to expand into every area of the people's political, economic, cultural and social lives. In order for the people to be masters of the state, not only must they exercise their powers in managing the state, they should directly enjoy differing degrees and different types of managerial powers in their participation in political, economic, cultural and social activities, so that on a broader basis and to a greater extent they may make use of democracy to govern themselves, educate themselves, and on the basis of the principles of socialist democracy establish and develop equality between people and correct relations between individuals and society. These, then, are all important for the establishment of a high level of socialist democracy. In order to establish a high level of socialist democracy we must strengthen the construction of the socialist legal system, so that socialist democracy is institutionalized and codified into laws. Institutions and laws are both fundamental, all-round, stable and long lasting. Only by firmly establishing the democratic powers used by the people to be masters of the society through legalization and institutionalization can we attain any definite guarantees for socialist democracy. No doubt, some of the mistakes we made in the past were connected with the incorrect ideology of some of our leaders but they were also undoubtedly connected to the fact that the democracy system and its legalization were not complete. Today, we have the ability and the need to strengthen the construction of the legal system and to establish and improve on all the various systems of democracy and to establish relevant political, economic and social rules and regulations so that the working masses may have a clear standard by which to carry out surveillance of the cadres as well as restraining their own behavior and pouncing on all illegal activities in every legal way possible, and thereby ensure good political, economic and social order.

With a fully institutionalized and legalized system of democracy the people will have laws they may depend on and a set of rules by which they may live. One of the most important principles of the socialist system of democracy and its legal system is that everyone is equal in the eyes of the law. If everyone works in strict accordance with the system of democratic centralization and the legal system, it may appear troublesome and restricting but in the final analysis it is beneficial to the people. Lawlessness appears very much simpler and more "free" but in actual fact it can only serve to help a small minority of degenerates. By amassing all the experience gained in this area, in particular that gained through the Cultural Revolution, the new party constitution clearly states that the party must act within the sphere of the constitution and the law. Everyone from the central party down to the grassroots level must act in accordance with the constitution and the law. Only by starting from the party body itself can we make the people understand the importance of a correct social attitude toward the legal system.

Further promotion of the socialist relations of equality, unity and mutual assistance between all our nationalities is another important aspect of the establishment of a high level of socialist democracy in China. Racial questions within a socialist epoch are basically a question of relations between working people of every race. In the past we have made mistakes with the question of race, especially during the Cultural Revolution with the broadening of the class struggle which did serious harm to many minority race cadres and working people. We did not attach enough importance to the question of autonomous powers for minority races. After the smashing of the "gang of four," and in particular since the third plenary session of the party committee, the party has done a great deal of work in implementing race policies and thereby restoring good race relations. China is a multinationality country founded and united with the joint efforts of many races. In addition to the Han race there are over 55 other national minorities making up 6 percent of the total population, with their homes covering between 50 and 60 percent of the total land area of China. Our socialist cause is the common cause of every race in China and only by activating all races and joining together can we speed up the modernization of the motherland. Mao Zedong said, "The unification of the country, the unity of the people and the unity of all the races of China represent the fundamental guarantee for the success of our cause." ("Selected Works of Mao Zedong," Vol 5, p 363) Based on Marx' racial theory and the realities of China's present situation, we should give attention to solving three major problems in our aim to promote racial equality, unity and mutual assistance:
1) autonomy of national regions: improve and strengthen the legalization of autonomy for national regions and ensure that party and national policies of autonomy are successfully implemented according to the realities of the situation in each national minority region and at the same time consolidate

democratic equality and unity between nationalities; 2) gradually eradicate inequalities between races in terms of politics, economics and culture and aid national minority regions to develop their economy and culture while actively striving to train and select national minority cadres; 3) recognize racial differences and nurture the special characteristics of each race. Handle racial contradictions carefully and oppose great nation chauvanism as well as local national chauvanism.

Another fundamental part of the move to establish a high level of socialist democracy in China is to consolidate and strengthen a united and patriotic front. According to Marx, only by liberating the whole of humanity can the proletariat class liberate itself. The importance that the party places on a unified line is on a par with liberating the whole of humanity. The united and patriotic line in China today is stronger and broader than it has been before. The party continues to support various policies along with other democratic factions and parties, such as "long-term mutual coexistence and mutual surveillance," and "show utter devotion and mutually share honor or disgrace," and in addition the party practices equal treatment of people outside the party as well as discussion of all affairs and mutual learning. This is a basic channel for strengthening the political alliance between party and nonparty and is in addition an important embodiment of the broadening of the great socialist democratic lifestyle. In our studying we must come to fully understand the importance of a united and patriotic line ruled by a strengthened party and the need to gradually eliminate the influence of "leftist" thinking while seriously implementing all possible policies related to a unified front.

/In studying the third important point we can concentrate on three questions in order to understand things more fully. 1) Fully understand the party's basic appraisal and basic direction in terms of the question of class struggle in the present historical stage of China; 2) the need to support the policy of "two hands" in this present historical stage; and 3) prevent and overcome two main types of errors and thereby strengthen the construction of socialist democracy./

Since the 3d Plenary Session of the 11th Central Committee the party Central Committee has made some estimates concerning the class struggle in China's present historical stage and as a result has come up with correct policy directions. After the destruction of the exploitative class as a class, class struggle was no longer the main contradiction of our society and thus we can no longer use the slogan "take class struggle as the key link." Nevertheless class struggle will continue to exist within certain limits because of various domestic factors and international influence and indeed may even sharpen under certain conditions. Practical experience tells us that this prediction is correct and tallies with the reality of the situation. Today, the sphere of the people is greater than ever before and now represents 99.9 percent of the total population. The target of our class struggle is that small percentage of the population which may be considered as an enemy element which is intent on the premeditated destruction of the economy, politics, ideology and culture as well as the overturning of the socialist system. The class struggle today is basically represented by the struggle of the people against this minority element. Such a small enemy element cannot hope now to represent a class in itself and thus the struggle against these few is not the same as the struggles in the past which were struggles of class against class. The activities of these elements reflect desires both within China and abroad to destroy the socialist cause and thus the struggle against them is of a very special nature. With this in mind we must clearly come to differentiate between contradictions between ourselves and the enemy and contradictions between the people, so as to avoid repeating the past mistakes of enlarging the scope of the class struggle. Thus we must prepare ourselves mentally for a long-term struggle and ensure that democratic dictatorship is exercised over these enemies and that a Marxist class viewpoint is upheld in handling the current social contradictions and other social phenomena that have the nature of class struggle.

We must support the continued implementation of the basic party policies in dealing with the question of class struggle and understand its importance for establishing a high level of socialist democracy in China. For it will ensure and help develop the democratic powers of the people as well as exercise effective dictatorship over the small number of enemy elements in our midst. Within China, one can still see the existence of class struggle and on the international scene we can still see imperialism and hegemony. Therefore, we must not ignore the function of dictatorship in China, or the construction of the people's army, police bodies, law courts and prisons and other such instruments of dictatorship. The strengthening of such tools of dictatorship is not contradictory to the establishment of a high level of socialist democracy, but is in fact an important guarantee of such a democracy, but is in fact an important guarantee of such a democracy. In our studying we should increase our understanding and correctly unify our thinking to fall into line with the scientific estimates and predictions and basic policies of the party in relation to the present stage of class struggle in China.

An important new phenomenon in the present class struggle is illegal activities in economic and other areas of life, which have arisen under the new policies in China designed to open the country up to foreign countries and enliven its own economy. Both foreign and domestic class enemies are using poisonous bourgeois ideology to carry out a destructive battle against us. Such serious illegal activities have already begun to erode our cadres, harm the party, the government and the army as well as the good name of the country. They are poisoning the people's thinking and polluting the social order as well as destroying economic construction and affecting social order and preventing the proper implementation of policies aimed at opening up to foreign countries and enlivening the economy.

Whether or not we can carry out a successful struggle against such illegal activities is related to the success or failure of China's socialist modernization program and the prosperity or decline of the party and the country. Because of the decisive policies undertaken by the party this struggle has already seen initial success. But because of specific historical conditions, the struggle will be a long one. Thus we have decided that during this new era of development of the socialist cause, we must use both hands. One hand supports the open-door policy and the move to revitalize the economy and the other hand supports the move to fight all illegal activities within economic and any other areas. Because of the illegal activities in economic and other areas, it is possible that less attention would be given to the open-door policy and the invigoration of the economy. On the other hand if we only concern ourselves with these invigoration policies then we ignore the struggle against illegal activities in economic and other areas. Both these possibilities are incorrect and should not be allowed to occur and thus in our studying we must link everything to reality and rid ourselves of these incorrect ways of thinking.

As far as class struggle is concerned, we must seek to prevent and overcome two main incorrect ways of thinking. Since the third plenary session the party has made several new tactical policies and in so doing has corrected the former mistaken policy of "taking the class struggle as the key link" and criticized the idea of "using the class struggle to study and analyze everything." Instead, the party has promoted the task of improving the system of socialist democracy and strengthening the legal system of socialism. This is entirely correct but some rightists misinterpret the party line and incorrectly believe that the class struggle no longer exists and that the class viewpoint of Marx is no longer applicable and even feel that the fight against economic and other types of corruption is not a class struggle. Even more serious is the fact that some people even turn a blind eye to the small number of bad elements and their illegal activities as well as the corruptive invasion of bourgeois ideology. Some people still have not rid themselves of the fetters of the concept of "making the class struggle the key point" and thus, with the appearance of economic corruption and the invasion of poisonous bourgeois ideology, they are unable to handle the situation correctly and feel that only with politicalization can the problem be solved. Such ideas as these are all wrong. In our studying we must link everything with reality and look at historical and present experiences. In this way we can strengthen our watch against bourgeois corruption and support the purity of communist education as well as overcome the rightist mistake of ignoring the existence of class struggle. Furthermore, we must respect the socialist legal system and use the weapon of the law to strike out at bad elements and thereby avoid a return to the old road of "taking the class struggle as the key link" and overcome "leftist" mistakes.

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HOW TO STUDY THE FIFTH PART OF THE 12TH CPC CONGRESS REPORT

Beijing RED FLAG in Chinese No 20, 16 Oct 82 pp 45-48

[Article by RED FLAG Editorial Office for Theoretical Education; passages within slantlines published in boldface]

[Text] This part of the report expounds on the basic principles and policies of China's relations with other countries, the major questions of our relations with other countries at present and the important principles of developing the relationships between our party and other communist or working-class parties. In our study, we must grasp the following four main points:

1. The basic point of departure for our country to handle its relations with other countries.

2. The five principles of peaceful coexistence have consistently guided China in its efforts to develop relations with other countries.

3. Resolutely opposing imperialism, hegemonism and colonialism together with other Third World countries is our sacred international duty.

4. The important principles of developing relationships between our party and other communist or working-class parties.

/While studying the first main point, it is advisable to deepen our understanding in three aspects: 1) China's foreign policy fully reflects the integration of patriotism and internationalism. 2) We must have a further understanding of the correctness of our foreign policy by recalling the past and contrasting it with the present. 3) Adherence to an independent foreign policy must go through struggles./

China's foreign policy is based on Marxism-Leninism-Mao Zedong Thought. It proceeds from the fundamental interests of the people of China and the rest of the world and fully embodies the integration of patriotism and internationalism. Being patriots, in relations with other countries we must resolutely safeguard our national interests or dignity, and we definitely cannot tolerate any encroachment of them. Being internationalists, we must realize our national interests in the course of safeguarding the overall interests of mankind and definitely not infringe upon the overall interests of mankind for the sake of narrow national interests. Therefore, in international activities we must always have the overall interest of the world in mind, support all undertakings conducive to safeguarding world peace and promoting human progress and try our utmost to make our own contributions in this respect. In addition, as for the Chinese people who are struggling for socialist modernization, world peace and human progress are indispensable international conditions and a vehicle of support. In the past, we always stressed that aid among all nations was reciprocal and that the just struggles of the people of other countries have helped the Chinese people and in turn the Chinese people have also helped the just struggles of the people of other countries. In the future we will continue to support this view and act in such a way. It is precisely because the basic point of departure of our foreign policy is based on patriotism and internationalism that it is completely different from the diplomacy of capitulationism and humiliation which was pursued by the reactionary rulers in old China in the face of imperialist aggression and oppression, and is also completely different from the expansionist and hegemonist policies practiced by some big nations which rely on strength to overpower weak nations. It is an embodiment of the integration of patriotism and internationalism. On the basis of adhering to our persistent principled stand, flexible methods and steps are adopted in light of the development of and changes in the situation. In handling our external relationships, we uphold principles and also keep our promises and mean what we say. Being diametrically opposed to the practices which regard the intercourse between different countries as a political game or as playing "cards," in its dealings with other countries China always has a long-term stand and firm principles, follows an overall long-term strategy and is definitely not swayed by expediency or by any external pressure or by anybody's instigation or provocation. Our foreign policy has weathered all sorts of tests in the changing international situation and has gained prestige and made more and more friends throughout the world.

In order to have a deeper comprehension of our independent foreign policy, let us look back at the bitter history of more than 100 years after the Opium War in 1840 in which China was subjugated to the aggression of colonialist and imperialist big powers compelled China to sign unequal treaties by force of arms, willfully trampled upon our sovereignty, divided our territory and plundered our wealth; moreover, in order to exchange the recognition and support of the imperialists, the reactionary decadent Qing dynasty, the northern warlords and the KMT government would not hesitate to sell our state sovereignty and betray national interests. As a result, China became weaker and weaker and became impoverished. It was not until the founding of the PRC that this history of national betrayal and humiliation was thoroughly ended. After the PRC was founded, the Chinese people really stood up. China carried out an independent external policy, participated in discussing and resolving international affairs on an equal footing, continuously gained new and tremendous achievements in international activities and its international status rose rapidly. On the basis of the five principles of peaceful coexistence, China has in the past 33 years, since the founding of the PRC, established diplomatic relations with more than 120 countries, developed economic and commercial intercourse and cooperation in various fields with more countries and regions, and has thus provided our socialist construction with favorable international conditions. In the course of our study, we must have a deeper comprehension of the principles and characteristics of our foreign policy through recalling the past and contrasting it with the present and lay an ideological foundation for doing a further good job in the foreign affairs work and developing relations with other countries.

Under the present conditions, in order to adhere to an independent foreign policy it is still necessary to go through severe struggles. Internationally, the superpowers which carry out a hegemonist policy will always try to rely on their military and economic strength, which occupies a dominant position, to put pressure on China, menace the security of our country, interfere in our internal affairs and be unwilling to handle their relations with our country in an equal manner. The process of our adherence to an independent foreign policy is a process of struggling against hegemonism. Domestically, in a situation in which we follow a policy of opening to the outside world, in the dealings with foreign countries, some party members and cadres, seriously corrupted by foreign ideas, depart from the correct stand, lose moral quality and national dignity, infringe upon the state's interests to seek personal gains and even sell secrets and betray the motherland; still other people stubbornly worship foreign things and fawn on foreign powers and lose the national confidence and their self-respect. While studying we must proceed from realities, pay attention to waging struggle against this sort of phenomena and eradicate their influence.

/While studying the second main point, it is advisable to have a deeper understanding of the necessity of adhering to an independent foreign policy in social and ideological foundations; at the same time, it is also necessary to understand that the five principles of peaceful coexistence are not only applicable to handling our relations with countries having different social systems but are also applicable to handling our relations with socialist countries./

The five principles of mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit and peaceful coexistence have consistently guided China in its effort to develop relations with other countries. China first put forth and has persistently upheld these five principles which have opened up a new path of developing international relations. The characteristics of previous foreign relations were that big nations could bully weak ones at will; big nations could wantonly oppress small ones; some big nations and even one or two superpowers could dominate world affairs and manipulate the fate of the vast numbers of other countries. China has consistently held that all countries, whether big and small or powerful and weak, must be equal in the international arena and matters that concern the world must be jointly settled through consultation among all nations; that the sovereignty and integral territory of a country must be respected and no country whatsoever has the right to serve as an international gendarme or to brandish the baton and no country is allowed to occupy other countries' territories and interfere in the internal affairs of other countries. In past years, China has strictly abided by the five principles of peaceful coexistence and never occupied a single inch of foreign land, never infringed upon the sovereignty of another country or imposed an unequal relationship upon another country and has proclaimed that under no circumstances will it seek hegemonism. We have a solid social and ideological foundation in doing things in this way. In terms of social foundation, we have established in China the socialist system with the people being the masters of the country. This provides a social foundation for carrying out a peaceful policy in external work. There does not exist in China the monopolistic capitalist class which needs to grab super-profits in other countries or the militarist force which serves this class, so there is no need whatsoever for China to commit aggression against another country or to expand its territory. In terms of the ideological foundation, we uphold proletarian internationalism, firmly believe that "a nation cannot become free and at the same time continue to oppress other nations" and "no people on earth who enslave a nation can escape punishment." ("Collected Works of Marx and Engels," Vol 4, p 410; Vol 18, p 629) Therefore, in our external intercourses, we have all along strived for safeguarding unity and friendship among the people of all countries and will definitely not oppress and enslave another nation. We have persistently supported the struggle for liberation of the oppressed people and nations and are convinced that communism will ultimately be realized throughout the world and strictly follow the principle of "revolution cannot be exported." In accordance with the historical materialist viewpoint, only the people of the country concerned can decide the fate of their own country. The revolution of a country must rely on the political consciousness of the people of the country concerned and it cannot and also must not be forcefully imposed on the people from the outside.

The five principles of peaceful coexistence are applicable to our relations with all other countries. The report separately expounds on China's relations with Japan, the United States and the Soviet Union. Although conditions vary from country to country, our relations with them have a common spirit, that is, adherence to the five principles of peaceful coexistence. In his opening speech to the 12th CPC Congress, Comrade Deng Xiaoping pointed out: "While we Chinese people value our friendship and cooperation with other countries and people, we value even more our hard-won independence and sovereign rights. No foreign country can expect China to be its vassal, nor can it expect China to swallow any bitter fruit harmful to China's interests." This is an expression of the Chinese people's firm stand of upholding the five principles and safeguarding the interests of the motherland and national dignity.

In our external relationships, we uphold principles and wage appropriate struggle against the practices of those countries which deviate from the five principles of peaceful coexistence. This will be conducive to the consolidation and development of relations based on the five principles rather than damaging our normal relations with those countries. If we do not do so and further allow the phenomena which run counter to the five principles to develop unchecked, then the relations which have been established and developed will also possibly regress and even be in danger of heading for a diplomatic breakdown. Such are the relations between China and the countries which have different social systems from China's. In our relations with other socialist countries, on the basis of sharing identical goals and an identical basic stand and viewpoint, there will possibly emerge differing comprehensions and even differences of opinion on some matters, and therefore it is also necessary to solve the differences and contradictions of both parties concerned on the basis of the five principles of peaceful coexistence and through consultation based on an equal footing so that the bonds of friendship, unity and close cooperation can be continuously consolidated and developed.

/While studying the third main point, we must deepen our understanding in three aspects: 1) Opposing imperialism, hegemonism and colonialism is the common task of the people of all Third World countries. 2) The unity and cooperation between China and other Third World countries has a historical and practical foundation. 3) Mutual cooperation among Third World countries is of great significance./

One characteristic of the present international situation is that the old system of colonialism has disintegrated but its remnants are far from being eliminated; the imperialists and colonialists are still attempting to safeguard their vested interests in their former colonies and vassals. The superpowers that practice hegemonism pose a new threat to the people of the world. Their pursuit of global domination is the main source of instability and turmoil in the world. Therefore, opposing imperialism, hegemonism and colonialism and striving for complete equality and reason in political and economic relations among nations are the common demands and fighting tasks of the people of the world, and in particular the people of the Third World countries, and the most important task of the people of the world today is to oppose hegemonism and safeguard world peace. China is against all wars of aggression, including the world war being fomented by the superpowers, and all local wars of aggression which the superpowers instigate or back and regard supporting all victim countries and people in their struggle against aggression as its own international duty.

China belongs to the Third World and the unity and cooperation between China and the vast numbers of other Third World countries has a profound historical and practical foundation: 1) China has experienced sufferings similar to those of most other Third World countries. Historically, China and most other Third World countries were for a long time subjected to colonialist and imperialist aggression and oppression. In the struggle for national liberation, they stood on the same front line to oppose a common enemy and they went through thick and thin and enjoyed the joy of victory together. 2) China and most other Third World countries are faced with common problems: in the international political arena, they are menaced and jeopardized by hegemonism; in international economic relations, they are unjustly and unequally treated by the old international economic order; and domestically, they are faced with, to varying degrees, the problems of economic poverty and cultural backwardness left over by history. 3) China and other Third World countries are faced at present with common tasks:

first and foremost, they should defend their national independence and state sovereignty and actively develop their national economies so that they can back up their political independence with economic independence. With a common basis, we can share a common destiny with Third World countries and sincerely treat each other and cooperate in a friendly manner.

Mutual cooperation with Third World countries, and in particular economic cooperation, will contribute to breaking the old unequal international economic order. The so-called old international economic order is in essence an economic system under which the international monopolistic capital of the developed capitalist countries monopolizes the production, trade and finance of the world and exploits developing countries. Through the export of capital and transnational corporations--monopoly enterprises of an international character, the developed countries control the production of important products of quite a few developing countries and grab super-profits in developing countries. On the international market, in the trade between the developing countries which mainly export primary products and the developed countries which mainly export manufactured goods, the continuous widening of the scissors difference in exchange prices and the artificial forcing down of prices for many raw materials by the developed countries have made developing countries sustain a great loss. In financial and monetary fields, inflation and remittance fluctuations of the West have made foreign exchange reserves of developing countries suffer losses, and high interest and harsh terms on capital loans have added weight to the financial burdens of developing countries. In order to reform this old international economic order, apart from striving to solve problems through negotiation with developed countries (the South-North dialogue), developing countries are strengthening their mutual economic cooperation (South-South cooperation). This is of great significance. It is conducive to establishing a new international economic order based on genuine equality and mutual benefit as well as fairness and rationality and to promoting developing countries to self-reliantly and steadily get rid of the relationship of economically hanging on to the coattails of developed countries. From a long-term point of view, "South-South cooperation" has a broad prospect. Today China and many other Third World countries have been fruitfully putting an end to their respective economically and technically backward features. This is a new force in the world economy which has a reservoir of potential. If China is economically prosperous and flourishing, it will surely make more contributions to the development of "South-South cooperation" and the prosperity of the world economy.

/While studying the fourth main point, it is advisable to deepen our understanding of the important principles for our party to handle its relations with foreign communist or working-class parties in light of the historical experience of the international communist movement./

The principles for our party to handle its relations with other communist or working-class parties are in strict conformity with Marxism, adherence to independence, complete equality, mutual respect and noninterference in each other's internal affairs. This is not only a summing up of the historical experiences of our party in handling its relations with foreign communist parties but also an assimilation of the historical experiences, both positive and negative in the international communist movement.

The history of the international communist movement has told us that the socioeconomic conditions and political conditions of every country are complicated and multifarious. The problems of revolution in any country, such as strategy, tactics and organizational forms, should be decided by the country's communist party or other working-class party under the guidance of Marxist principles and in accordance with the country's actual conditions and they should be tested and perfected in the continuous practice of revolutionary work. The reason why the Chinese revolution could be victorious is because our party was good at integrating Marxist universal principles with the concrete practice of the Chinese revolution, that is to say, China self-reliantly defined its own line, principles and policies. In his opening speech to the 12th CPC Congress, Comrade Deng Xiaoping pointed out: "Both in our revolution and construction, we should also learn from foreign countries and draw on their experience. But mechanical copying and application of foreign experience and models will get us nowhere. We have experienced many lessons in this respect. To integrate the universal truth of Marxism with the concrete realities of China, blaze a path of our own and build socialism with Chinese characteristics--this is the basic conclusion we have reached in summing up long, historical experience."

The historical experience of the international communist movement has also proved that any attempt by one party (no matter how high its seniority and prestige are) to decide the internal affairs of other parties, to forcefully issue orders or to run the internal affairs of other parties will always produce poor results and can only lead to setbacks or failures in the revolutions of the countries concerned. In maintaining contacts among the communist parties of different countries, one must only rely on the truth of Marxism to convince others rather than resorting to administrative means. As for the practice of one party willfully interfering in the other parties' internal affairs and even compelling other parties to submit to it by force of arms, it can fundamentally run counter to proletarian international principles and undermine the very foundation of the international communist movement.

Of course, it is still quite necessary for all communist parties to exchange views and help each other on the basis of mutual respect and complete equality. Each party has its own strong and weak points. Each party is encouraged to learn from each other's successes and failures and draw useful lessons from them.

CSO: 4004/6

ATTENTION SHOULD BE PAID TO IDEOLOGICAL AND POLITICAL WORK AMONG EDITORIAL STAFF

Beijing RED FLAG in Chinese No 20, 16 Oct 82 p 49

[Article by Wen Zhao [2435 6856] and Che Yanming [6508 1750 2494]]

[Text] Comrade Liu Shaotang's article "Ideological and Political Work Among Writers Should Be Strengthened," which was published in RED FLAG No 13, 1982, raised a seriously acute problem: Among a very small number of people in literary and art circles, there exists an erroneous tendency to think very highly of oneself and feel cocky toward the party. The article states: "Only when ideological and political work among writers is strengthened, can we produce good works of literature and art, foster a good work style and promote the greater flourishing of socialist literary undertaking." We consider that the article's argument is extremely apposite. However, we have one point to add: We must also simultaneously strengthen ideological and political work among editorial staff and strive to heighten their sense of political responsibility.

A completed item of work, although it reflects the ideology and political tendency of its writer, it is nevertheless necessary to go through the medium of the editor to use the work to influence and educate the people. Therefore, editors must have a sharp ability to discriminate and a high level of sense of political responsibility. What kinds of work should be published and what kinds of work should not be published? This is a question of principle concerned with whether or not the party's literary undertaking can be safeguarded. It is a pity that in a few publications, some works of literature and art unexpectedly appeared which had a low style and even had extremely absurd content. These works seriously damaged our party's image and the image of socialist new people, brought pollution to the spiritual life of the masses of the people and had an extremely harmful influence on the vast numbers of readers. One of the important reasons why it was possible to publish these works is that some working editorial personnel failed to strictly examine and conscientiously distinguish these works, or they based their decision to publish the work merely on the reputation of the writer. It even happened that the publication of some works of literature and art was entirely due to the fact that the editor responded sympathetically to the thoughts of the writer.

We can see from this that it is not enough to strengthen ideological and political work among writers alone. While providing more effective party leadership in literary and art works and strengthening ideological and political work among the writers, further vigorous efforts should still be made to strengthen ideological and political work among working editorial personnel. Only in this way can we ensure the publication of more works which fill people with enthusiasm and can we restore and develop the glorious tradition of revolutionary literature and promote the greater flourishing of socialist literary undertakings.

Editor's note: After reading Comrade Liu Shaotang's article "Ideological and Political Work Among Writers Should Be Strengthened," Comrades Wen Zhao and Che Yanming proposed that "attention should also be given to ideological and political work among editorial staff." We consider their opinion to be quite correct. It must be said that their opinion is not only applicable to the editors of literary and art newspapers and editorials but also to the editorial staff in such fields as new publication and theoretical propaganda. In the last few years, great advances have been made in newspaper and periodical publication work and many comrades on the editorial staff have done their utmost to serve as a link between writer and reader and play the part of a discrete matchmaker. They have thus done a lot of work. However, there still exist some problems in editorial work. Apart from those things mentioned by Comrade Wen Zhao and Che Yanming in their letter to us, according to readers' letters, there are still a small number of people who hanker after the indulgence of all sorts of unhealthy practices, such as the "study of relationships." For example, a few people try their best to publish the manuscripts of their old acquaintances, friends and classmates, regardless of quality. And there is a tacit agreement between different editors that you publish my work and I will publish yours. Some editors even indulge in flattering each other in an unprincipled way. What is more, they act willfully in accordance with their personal tasks, viewpoints and tendencies, they abandon principles, act without regard for the consequences and so on. They do not, as they ought to, regard the newspapers and periodicals which they are involved in editing as the party's propaganda front. All these practices not only make the quality of publications inferior but also have a directly harmful influence on the readers. We are happy to see that this problem has aroused the attention of the departments and units concerned. Quite a few units have examined and summed up their own editorial work and are strengthening ideological and political work among the editorial staff in the light of their respective actual conditions. Through the examination and summing up work, the vast numbers of editorial working personnel have also acquired a deeper understanding of the glorious responsibility which they bear, and they are adding to their achievements, overcoming their mistakes and vigorously encouraging editorial professional morality so that together they can push the building of socialist spiritual civilization forward. Of course, intensifying ideological education among editorial staff is a long-term task. With regard to this question, this magazine wishes to encourage other fraternal newspapers and periodicals in our endeavor.

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China Report

RED FLAG

No. 21, 1 November 1982

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15 December 1982

CHINA REPORT

RED FLAG

No. 21, 1 November 1982

Translation of the semimonthly theoretical journal of the Central Committee of the Communist Party of China published in Beijing.

CONTENTS

Uphold the Concept of One Dividing Into Two; Attain a Still Higher Goal (pp 2-6)
(Hu Yaobang).. 1

Carry on the Study of the 12th CPC Congress Documents in a Deepgoing Way (pp 7-8)
(Shi Youxin).. 9

Party Building and the Program for Creating a New Situation in All Fields (pp 9-13)
(Zheng Hui).. 12

The Basic Policy of Attaining a High Level of Socialist Democracy (pp 14-18)
(Lu Zhichao).. 21

A Reliable Guarantee for Socialist Construction (pp 19-23)
(Shao Huaze).. 30

Correctly Understand Our Country's Independent Foreign Policy (pp 24-28)
(Qi Wen).. 39

Excerpts From Speeches Made at Forum on Studying the 12th CPC Congress Documents (pp 29-36).. 47

  Raise the Ideological Level of Literary and Artistic Works and of Writers and Artists (pp 29-30)
  (Wang Meng).. 47

  Grasp the Building of Socialist Spiritual Civilization With the Same Vigor and Determination as in Grasping the Building of Material Civilization (pp 30-31)
  (Wu Zuqiang).. 49

Build Socialist Literature With Communist Thinking as Its Core (pp 31-32)
(Liu Shaotang) 50

Films Should Aim at Fostering the Goodheartedness of the People (p 32)
(Chen Guangzhong) 52

Actors Should Pay Attention to the Social Effects of Their Performances (p 33)
(Yu Shuzhen) 53

Bring Healthy Literature and Art to the People (p 34)
(Jiang Kun) 54

The Glorious Mission of the CYL (pp 34-35)
(Chen Haosu) 55

In Fostering New Socialists, It Is Imperative That We Continue With Communist Education (pp 35-36)
(Zhang Liqun) 57

Take the Road of Coordinated Development of Agriculture, Industry and Commerce (pp 37-40)
(Yang Yichen) 59

How To Study the Sixth Part of the Report to the 12th CPC National Congress (pp 41-45)
(RED FLAG Editorial Office for Theoretical Education) 68

How Can We Say That It Is Possible To Quadruple Industrial and Agricultural Production Value by the End of This Century? (pp 46-47)
(Zhao Qi) 80

Why Is It That Peasant Incomes Should No Longer Be Increased Mainly by Raising the Prices of Agricultural Products? (pp 47-48)
(Xu Ke) 84

How Should We Understand the Notion That the Socialist Character of Spiritual Civilization Is Decided by Ideological Education? (p 48)
(Wu Hong) 86

A Discussion on 'Rule by Inaction'—Thoughts on Reading Lao Zi, Not a Study of His Philosophic Theory (inside back cover)
(Li Ming) 88

UPHOLD THE CONCEPT OF ONE DIVIDING INTO TWO; ATTAIN A STILL HIGHER GOAL

Beijing RED FLAG in Chinese No 21, 1 Nov 82 pp 2-6

[Speech by Comrade Hu Yaobang on 27 December 1981 while meeting with representatives attending a national conference on the creation of films]

[Text] I am a rooter for ball games, a rooter for radio and television broadcasts, a rooter for the movie industry. In short, I am your avid supporter. Our comrades of all party committees and propaganda departments must assign such a task for themselves: to be rooters, to cheer everybody up.

Literature and art, like sports, have a broad mass character. We must organize and lead the people to use all means possible to boost anything which has a broad mass character, which is beneficial to the people, which can inspire and educate people to aim high and which is popular among the people. Because only by doing this can we prove ourselves to have what our party constantly claims as a mass viewpoint.

The year 1981 will pass and a new year will come in only 4 more days. How should we view our work this year and greet the new year? Let me present these remarks to you comrades: Uphold the concept of one divides into two; attain a still higher goal. If there should be a "dui lian" [a Chinese couplet often written and mounted on scrolls to be hung on the wall] for the new year, can these remarks be considered as fit for this purpose?

All our comrades must uphold the concept of one divides into two at all times. This is a conclusion reached at the meeting sponsored by the party Central Committee for the first secretaries of various provinces, municipalities and autonomous regions to review the work of this year. To view things with the concept of one divides into two, we can see, on the one hand, our party has achieved great progress in its work and the result has generally been good, but, on the other, we can also see that we have not been performing very well in other work, including that in which we ought to have done better, such as political and ideological work, [stabilizing the] commodity prices and so forth. How does literary and art work fare? I hope you comrades will have this issue analyzed with the scientific attitude of one divides into two so that the work next year will be done better.

As far as the movie industry is concerned, we must fully affirm that much progress was made during the past several years, and that new progress has been made this year. Therefore, good and generally acceptable movies have been the mainstream. This also tells that the majority of our comrades have been working very hard. Some middle-aged and young directors and playwrights have been maturing very quickly. Our workers, peasants, soldiers and intellectuals, our Communist Party members, CYL members and Young Pioneers, in short people of all nationalities throughout the country, male and female, young and old, people residing in cities and rural areas, are pleased with and welcome the accomplishments and progress achieved by the people of the movie industry and their hard work and contributions. They can see these accomplishments with their own eyes, and they will remember them and are thankful for them. This is what we usually mean as the rights and wrongs of a case will be judged by the public. This is a fact, and this is the kind of confidence we should have.

Of course, there is another side of the coin. This is to say that certain movies are really not good enough, that certain comrades have not worked hard enough, and that relatively serious shortcomings and errors still can be found in certain works and among certain individual comrades. The two main problems are simply thus:

First, the political sentiments of certain works and certain comrades are not healthy. Where are these unhealthy political sentiments reflected? They are reflected mainly in their attitude of ignoring, and even writing off, the great accomplishments achieved by the Chinese people in pursuing their socialist cause, and in their attitude of blaming the entire state, the entire revolutionary rank and file and the entire socialist system for the mistakes in our revolutionary process and for the destruction done by the Lin Biao and Jiang Qing counterrevolutionary cliques. Because of such attitudes, they conclude that communism has no future, and that communism is but a dim illusion. That is what I mean by unhealthy political thinking or political sentiments.

Why do we have to criticize Comrade Bai Hua? It is because his work "Unrequited Love" is unhealthy in political thinking and harmful to the people's minds. Things have now turned out very well since he has been criticized and since he has realized his mistakes and made a self-criticism. Comrade Bai Hua is still a party member and a writer, and he will continue to write. Comrade Bai Hua produced some good works in the past. We hope he will produce more good works. People can see from this case that the party Central Committee's policies and ways of doing things are vastly different from those in the past, and these differences have demonstrated that our party has indeed learned a beneficial lesson from its mistakes and setbacks and has become more mature.

There is no doubt that we must convincingly and seriously criticize erroneous things. Here, we must adhere to truths and never try to save face. It is best that one conduct self-criticism earnestly instead of shielding a shortcoming or fault. The comrades, readers and audience must help him. This is not only true for writers, but also true for the responsible comrades of our party committees at all levels. Can we criticize the Standing Committee members of the party Central Committee's Political Bureau and the comrades of the Secretariat if they have committed mistakes? Naturally we can criticize them. We can even criticise Comrade Mao Zedong's errors. Why can't we criticize ourselves, if we commit mistakes? For our great cause, whoever makes mistakes in our revolutionary ranks should be criticized or told to conduct self-criticism. However, we must face facts, be good to others and pay attention to science and policy. We must not wantonly criticize people. Perhaps some comrades would say that one's enthusiasm will be affected once criticism has started. We say: It all depends on what kind of enthusiasm you have. If it is the kind of enthusiasm detrimental to the socialist cause, should we not dampen this kind of enthusiasm? This kind of dampening would help the healthy enthusiasm to further develop at the same time.

Second, some comrades have failed to attain a lofty realm of thought in some of their works. Their realm of thought is even very low. Where does this phenomenon manifest itself? Mainly, it shows up when they are unable to correctly handle the relations between love affairs and the revolution and between love affairs and the socialist cause, while inappropriately overemphasizing the love affairs.

Naturally, love affairs constitute an important theme in literature and art. We not only may write on this theme, but should write on this theme. I had mentioned this at the symposium on script writing held last year. Who says that we cannot write about love affairs? They represent an integral part of human life and an important phenomenon in social life. The question is what role we let love affairs play. All communists, revolutionaries and patriots should be even more broadminded and farsighted. Ardently loving only our great motherland, our great people and our socialist cause is most valuable. If we can classify our sentiments of ardent love into number one, number two and number three, the number one should be this type of ardent love. Literature and art in the socialist period should be much more progressive than that in the new democratic revolution period. First of all, our literary and art works should educate the people, particularly the young people, to love the socialist cause of the motherland and our people. Fundamentally, love affairs should be identical with the revolutionary cause. For the people's interests and for the socialist cause, a revolutionary should be able to completely sacrifice one's own love affairs and even life, if it is necessary to do so.

People still remember the Hungarian poet Petofi's famous poem: "Life is indeed valuable, but the price of love is even more valuable. However, for the sake of freedom, I can give up both." For the nation's independence and the people's freedom in the motherland, this democratic revolutionary in the mid-19th century was able to attain this kind of lofty realm of thought. How can our socialist literature and art today retreat to the realm of thought where love is considered as something supreme? We should not let love between the sexes overtake the revolution and prevail over the revolution. Nor should we give publicity to love being the noblest and doing everything for the sake of love. Our literary and art works should always be aimed at broadening the people's spiritual realm and at encouraging and inspiring the people to dedicate themselves to the socialist modernization of the motherland.

Only by upholding the concept of "one divides into two," will it be possible for us to attain a still higher goal. In the next year, not only must you attain a higher goal, you must alwo work hard to attain a higher goal in doing the work of our party and the work of all trades and professions. You said that in the next year, you would produce 100 feature films. This is fine. However, the question is what kind of feature films. Everyone believes the quantity of 100 feature films should be ensured. The quality of these films should also be better than those produced in 1981. It is, therefore, necessary for you comrades to work harder than ever to conscientiously solve the series of questions in the realms of ideology and art and in all fields of your work.

As for economic development, there must be a practical and "unexaggerated" growth rate next year. This means a certain quantitative as well as a strict qualitative requirement or combining of quantity with quality in this regard. I think this requirement is also completely applicable to film production.

If we make no big mistakes, adopt a scientific approach and go all out to push the national economy forward, it will be possible gradually to accelerate the improvement of the people's living standards a little bit. However, generally speaking, it will not be quite possible for our living standards to catch up with those in the most economically developed countries in the next 50 years or until the 2020's or 2030's. Let us review some history. China was gradually reduced to a semicolonial and semifeudal society since the middle of the 19th century. After more than a century, a tremendous social change took place in China in the middle of the 20th century--China entered the period of socialism. It might take another century or so for a fundamental and tremendous socioeconomic change to occur in our country so that China will be among the advanced of the world--or such a change might not take place until the middle of the 21st century. Therefore, the course of social history has determined that we Chinese have to bear more hardships in this century and the next. What is so serious about bearing some hardships? Difficulties and hardships will help you succeed in your undertakings. This century and the next will be the two centuries in which the Chinese nation will bring about tremendous changes and make tremendous progress.

Such historical development and changes require our comrades to conscientiously experience all kinds of hardships and tempering. After this difficult historical stage, our nation will have a bright future. This is the realm of thought in which our minds are emancipated. Such a realm of thought is one of revolutionary romanticism and revolutionary realism. Is this not realistic? We must be determined to work hard in the next five decades to make China a modern, powerful socialist country with political stability, economic prosperity, developed education and high ethical standards and to make our country really stand up. This will be a close integration of revolutionary realism with revolutionary romanticism. Could one be called a revolutionary realist if one disregards the nature of historical development and regards the people's cause and ideals as worthless or devoid of any merit? That is shortsighted, naturalistic and indicative of a declining mentality.

Comrades, this question concerning the realm of thought is one of a fundamental character and characteristic of the times. Among our people, party members and cadres, there will definitely be more and more people who firmly believe that our country will effect a tremendous change or progress from disorder to order and from poverty to prosperity and who conscientiously work hard for this purpose. Now some people eagerly look forward to this, others are half believing and half doubting and still a very small number of people determinedly oppose such a tremendous change and progress and want to go backward. This requires us to turn our party's correct lines and objectives, through our ideological, political, theoretical, propaganda, literary and art, journalistic and educational work, into the firm will and conviction of large numbers of party members, cadres and people, into the ideas, consciousness and public opinion of hundreds of millions of people of various nationalities and into their actions. There will be no future for our literature and art if they do not serve this purpose. If our writers and artists fail to stand ahead of the times but stand aside and only write, perform or sing something about the "wind, flowers, snow and moon" and "love," or if they stand behind the times and only write, perform or sing something "miserable" or which is "unbearable to recall," then, what future will they have? There will be no future at all for those who stand opposed to use and distort and curse the revolution with a mentality marked by antipathy and gloom and with the language of hatred, and they are bound to be cast aside by the people. Of course, this does not in the slightest degree mean that ugly phenomena in our social life cannot be criticized. We have said on several occasions that they can and should be criticized. The question here is what stand you take and your frame of thought.

Comrade Xia Yan has just asked me to say more about the question of study. I think this is an extremely important question. The question of restudy faces not only you in your profession but also the whole party and people of all nationalities throughout the country, including us. Of course, the division of work in society varies from people to people. However, there are common yet different requirements for people in study. As far as writers and artists are concerned, I think that they must step up their study of Marxism, social life, culture, science and history.

Marxism, which came into being more than 100 years ago, has its rich theory of literature and art. But this does not mean that authors of classical works of Marxism have provided readymade answers to all questions about literary and art work. Our study of Marxism today is for no other purpose than guiding our artistic practice with the Marxist stand, viewpoint and method. We should strive to attain a higher ideological and a higher artistic level and to integrate the one with the other or to merge them into a single whole. Only in this way will we be able to greatly raise our realm of thought and to promote social progress in a particular way.

I do not know if you have read Comrade Wang Chaowen's "The Concept of Aesthetics" and some other comrades' aesthetical works. I have read some of the book but have not yet finished it. I feel that there may be some shortcomings in all books on aesthetics, but they still can help us understand some concepts or common sense of aesthetics so that we can avoid detours in this regard. Now some of our comrades do not pay sufficient attention to theoretical questions, and ~~our~~ achievements in the theory of literature and art are very few indeed.

Writers and artists should go deep into the realities of life in order to observe, experience and analyze persons and social phenomena of various ~~kinds~~—this is a prerequisite for our literary and art creation. If a writer does not do so, he can only fabricate stories according to his subjective needs. Take the plot of having a love affair in a tank for example. People only have to ask this: Since the number of personnel assigned to a tank is limited, how can another person be added to it so casually? Gorkiy once sincerely advised a young writer: Do not write anything in a hurry but study it first. He also said: One must pay attention to reality in order to portray new life vividly and effectively. There are three kinds of realities—the past reality, the present reality and the sketchy reality of the future.

In studying science, culture and history, one must pay particular attention to language. I think it necessary to remind comrades, especially young comrades, to pay close attention to this matter.

"A writing that is devoid of literary grace will not last long." This is quite right. It shows that a writing devoid of literary grace and refined language cannot touch people to the heart. This is an extremely important experience. Literary language is an art. A work without literary grace definitely has little vitality. Please take a look at Lu Xun, Guo Moruo, Mao Dun, Ba Jin, Gao Yu, Lao She, Zhao Zhuli and other literary giants of modern times. Is any of them not a great master of the art of language? However, it appears that some young comrades have not paid close attention to this matter. If one does not have sufficient literary accomplishment and is unwilling to study some classical Chinese poems and prose, his writing will be insipid and devoid of the effect of touching people to the heart. If one goes on like this, how can one do one's job?

Certain comrades mentioned the movie "Bosom Friend." I think a movie like this can be produced. Cai E indeed rendered outstanding service in the struggle of overthrowing Yuan Shikai during the old democratic revolutionary period, and Xiao Fengxian can be regarded as a woman with foresight and courage. However, I do not know whether the movie's playwright and director read Xiao Fengxian's elegiac couplet for Cai E. The first part of the couplet reads: "Over the boundless horizon in the south, you ascended like a roc that wings skyward, lifted by the cyclone. How can I, a survivor of a chaotic world, bear the fact that our union has become a mere dream?" The second half reads: "During your several years of stay in the north, I pitied myself for having led an aimless life. But after having you, a hero, as my bosom friend, what is fleeting will be remembered forever." You can see that this couplet, which mentions Cai's lofty ambition and Xiao Fengxian herself, as well as her relationship with Cai, has a fairly deep perception and literary grace. I hear that it was written by a literati in Xiao Fengxian's name. Nevertheless, it has a certain literary value. I think it would be nice if the movie "Bosom Friend" used this couplet as its theme and even used its words for the lyrics of a theme song. From this we can see that we must continue to brush up on history and culture. If our works have a correct theme and tell a touching story with a rich, graceful language, they certainly can powerfully educate and inspire our people.

Some comrades maintain that our movies, like ball games, should be up to the standard that they can compete with other countries on the international movie scene. I think this issue must be analyzed because we will lose our bearings if it is not clearly analyzed. Nowadays, the international sports tournaments are matches of athletic skills conducted under unified competition regulations and judging standards that are internationally acknowledged. In light of these regulations and standards, who wins and who loses can be clearly distinguished, and the results, which do not have a class character, are spontaneously recognized by the whole world. However, literature and art, including motion pictures, are different. It is one of the ideological departments that has a strong class and social character. The same literary and art work may be judged differently, or even diametrically, by different people because of differences in their social status and world outlook. Of course, different peoples and different countries can and should learn from each other in the field of artistic forms and skills of their literature and art. All the positive results from the literature and art of all nations will contribute to mankind's cultural development. In the final analysis, however, whether our literature and art has a great vitality depends only on whether it meets the needs for the progress of people of all nationalities. Therefore, the goal of struggle of our literature and art is not what it can accomplish internationally, but how it can penetrate the hearts of the broad masses of Chinese people and become a powerful spiritual weapon that can arouse hundreds of millions of Chinese people to struggle for socialist modernization. If our literature and art really attains this goal, it has expressed its major international significance. If our own culture can be developed and thrive healthily in a great country like China, which has one-fourth of the world's population, and if our people will emerge in the world as a highly civilized nation, it will be an inestimable contribution to and a tremendous motivating force in the world's cultural development. Is it possible then that this will not be recorded in full detail in the cultural history of the world?

In short, in the interest of our country and people, we must heighten our spirits, rise up and be ready to exert sustained and strenuous efforts to build a stronger and more prosperous country. We must also emulate the Chinese women's volleyball team's spirit of winning glory for the motherland and the people. Some comrades say that their burden is heavy and they already feel the "pressure." I think this is good. When tap water cannot reach the upper floors of tall buildings, it is because there is not enough pressure. There must be some pressure, but, of course, it should not be too large. In the final analysis, we rely on our legs in order to attain a still higher goal. Whether our legs can make large steps depends on how loyal we are to our motherland, the people, the party and the socialist cause.

This meeting is being held quite successfully. I propose that a meeting like this be held every December. The meeting should be larger so it will be attended by directors, playwrights and some performers and singers. The purpose for settling the general account at the end of the year is to be prepared for the fighting during the new year. Let me repeat what I said: We must wage a hard struggle in order to attain a still higher goal!

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CARRY ON THE STUDY OF THE 12TH CPC CONGRESS DOCUMENTS IN A DEEPGOING WAY

Beijing RED FLAG in Chinese No 21, 1 Nov 82 pp 7-8

[Article by Shi Youxin [2457 0645 2946]]

[Text] Vast numbers of cadres and the masses are studying the documents of the 12th CPC National Congress. People are in high spirits in this study. All localities and authorities at all levels have effectively and rapidly mobilized leading cadres to explain and publicize the documents and train backbone members in propaganda work. Many comrades believe that this represents a good beginning for deepening understanding, unifying thought and putting into effect the spirit of the 12th party congress.

The congress documents, in a concentrated way, reflect the will of members of the CPC and the whole nation and express their ideals. Therefore, these documents have a strong appeal. These scientific and programmatic documents, different from other ordinary work reports, offer a regularized summation of the active practice led by our party both in reviewing our previous work and in planning our future work. For this reason, our theorists, journalists, educators and personnel engaged in party and government work are all required to explain, give guidance, make expositions and give proof so as to help cadres and the masses to study the documents well, have a good command of the spirit and unify thought in order to arouse the people of the whole nation to go all out and struggle with one heart and one mind for the realization of socialist modernization.

Now, in the wake of the publishment of the documents, we can see that a great variety of material for study, guidance and reference has also appeared. Apart from being carried by the press, this is also being published in pamphlet form. This demonstrates the great efforts made by propaganda workers and their initial achievements. However, a new problem has also arisen in this good situation. Such a large volume of things emerging before readers will simply confuse them and they will simply be at a loss over which to choose as reference and which to read as the primary source, as people's ability to make judgments is different and their time and energy are both limited. How can we achieve good results in our study? This is a question that we must take seriously. Now, some comrades are not concentrating on the study of the documents. They only skim through the documents and believe that they have fulfilled the task.

Some even fail to finish reading the whole document, and then they turn to summary and guidance material and take this in place of the documents. This is a method of "putting the cart before the horse." This will not achieve good results.

Comrades in charge of organizing the study should pay attention to this problem. They should really help everybody concentrate on the study of the documents. If people only have superficial knowledge and fail to master the essence, the study will be fruitless. Study is a painstaking mental labor and requires real efforts. Glancing over something once or twice cannot be considered as finishing the study. Moreover, having studied something does not mean that one understands it and understanding it does not mean having a good command of it. The requirement for the study of the 12th congress documents should be not only able to understand them, but also to have a good command of the essence of spirit. To this end, we should, on the basis of reading the documents carefully and thoroughly, require different people to take different approaches in the study. Some can take notes of one paragraph after another; some can write their viewpoints on various questions; and others can compare the documents with other documents and make an analysis so as to deepen their understanding. When encountering difficulties in the study, we should think them over by ourselves and then read some selected guidance and reference material. Focus points should be selected in the study of the documents. Material beyond the documents should also be tackled after being selected. The method of using the same strength to tackle all problems and extensive reading is inadvisable.

It is necessary to oppose both "leftist" and rightist deviations in connection with our real thinking. To really achieve good results in the study of the documents, it is necessary to relate what we have learned with our own thinking, especially our thinking since the 3d Plenary Session of the 11th CPC Central Committee, and check whether there is something in our minds that hinders the implementation of the 12th congress spirit. It should be noted that some remnant influences of "leftism" have not been thoroughly eliminated in our work. For example, in dealing with class struggle, some people think that the slogan of "taking class struggle as the key link," is correct also as we embark on hitting at serious economic crimes or try to dish up this slogan in a new form. In approaching the relationship between politics and economy, some people are keen on reviving formalism and empty talk in political work when we stress the importance of political and ideological work and they dish up again some imprecise or unsuitable viewpoints, such as, "place politics in command" and "politics must take precedence over economy." In dealing with intellectuals, some people do not recognize that intellectuals constitute a reliable strength, as do workers and peasants in building socialism, and they continue to cling to the outdated proposition and policy of "unite, educate and reform." In approaching education, science and culture, some people indiscriminately stick a label of bourgeoisie on all of these and set them against laboring people; they flaunt the ignorance and backwardness that history leaves to the laborers as the true color of the proletariat. At the same time, in actual life, there also exists the rightist tendency of deviating from and even negating the four cardinal principles. We must also struggle against the bourgeois liberalist tendency and never relax this struggle. How can we give up necessary criticism and struggle against the erroneous viewpoint of negating that our country has been a socialist society, the pessimistic and negative arguments that merely look at the dark side of our society while we deny our bright side and the superiority of our socialist system and the practice of propagating the old formulas and slogans of the bourgeoisie by sticking some "communist" terms on them? All this constitutes obstacles to the implementation of the 12th congress spirit. Without clearing up these obstacles, how can we really master the essence of the documents' spirit? In short, we must carry out an ideological struggle on the two fronts against both "leftist" and rightist deviations and avoid focusing on the criticism of one erroneous tendency to the neglect of another.

It is necessary to link the study of the documents with the study of basic theory of Marxism. At the 1st Plenary Session of the 12th CPC Central Committee, when talking about the study of the 12th congress documents, Comrade Hu Yaobang pointed out: "We should first do our best to master the basic spirit of the documents and associate this with the relevant basic theory of Marx, Lenin and Comrade Mao Zedong so as to unify our thinking." This is a very timely and important instruction. Principles and policies adopted by the 12th party congress are all in keeping with the laws of historical development and the people's demands. Their ideological and theoretical foundation is laid on the basic theory of Marxism. Without the knowledge of the relevant basic theory, we will not have a profound understanding of the essence of the 12th congress documents' spirit. Of course, we cannot lay aside the 12th congress documents to study those basic Marxist works. Rather, the study of the Marxist basic works should serve the study of the 12th congress documents.

On the basis of having a profound understanding and a good command of the spirit of the 12th congress documents, we should try our best to relate our study with reality of our units and solve some resolvable problems in a methodical way. We are faced with the great task of creating a new situation in all fields of socialist modernisation. We should seriously consider how to create a new situation in our respective work, what to initiate and what to reform. We should persist in the practice and measures that are in line with the principles and policies laid down by the 12th party congress and strive to overcome existing shortcomings and deficiencies. Through study, we should review the experiences in our work. This will help us better understand the 12th congress documents and more conscientiously and firmly implement the principles and policies decided by the 12th party congress.

The key reason why the study in the previous period was carried out in a down-to-earth way is because leaders at all levels have taken the lead in the study. In order to conduct the study in a more effective and lively way, it is suggested that leading cadres should be prepared and give relevant answers to the people's questions, should join the discussions with the masses and if different opinions exist, they can also take part in debates. In this way, with the exchange of ideas between leaders and the masses, the study will be filled with vigor and will be led to a more profound degree.

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PARTY BUILDING AND THE PROGRAM FOR CREATING A NEW SITUATION IN ALL FIELDS

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[Article by Zheng Hui [6774 1920]]

[Text] The correct program and the series of principles and policies for creating a new situation in all fields of socialist modernization outlined at the 12th party congress constitute a fundamental basis for all fields of work in China's socialist construction in the years to come. They also constitute a fundamental basis for party building, particularly the consolidation of party organizations to be launched very soon. Here, I would like to discuss my impressions on the guiding role of Comrade Hu Yaobang's report on strengthening party building.

I

In his opening address at the 12th party congress, Comrade Deng Xiaoping pointed out that to integrate the universal truth of Marxism with the concrete realities of China, blaze a path of our own and build socialism with Chinese characteristics--this is the basic conclusion we have reached in summing up long, historical experiences. Referring to socialist development, the new party constitution pointed out in the general program section: "The development and improvement of the socialist system is a long historical process," and "the cause of socialism is advancing and is bound to triumph gradually throughout the world along paths that are suited to the specific conditions in each country and are chosen by its people of their own free will." An important principle of scientific socialism has been advanced here. It provides people with a good deal of valuable enlightenment to correctly understand socialism.

For a long time in the past there has been an oversimplified notion about socialism to the effect that after establishing the socialist system according to a fixed pattern, we can develop it speedily or easily into a perfect and ideal state. The facts are just the opposite. Socialism, this brandnew social system in human history, was first established in a number of countries which were relatively backward economically and culturally and the conditions of which were extremely complicated. Its development can never be uniform or smooth sailing. In the course of practicing socialism, we are bound to go through many difficulties and setbacks and many even commit grave errors. Under the conditions when serious errors have been committed and tremendous setbacks exist in some specific systems, the superiority of socialism cannot be fully or notably brought into play. Marxism has brought to light the general laws governing socialism in historical developments. Only by integrating the universal truth of Marxism with the concrete realities in their own countries and finding the correct paths that are suited to the specific conditions in their own countries is it possible for communists in various countries to achieve successes in socialism. Therefore, socialism will advance to common victory on a world scale through various forms and paths. It will be impossible to attain good results by indiscriminately copying the experience or patterns of foreign countries without maintaining independence and keeping the initiative in our own hands or by imposing one country's experience or pattern on others. Under the guidance of Marxism, all roads lead to communism. This is a historical trend in the contemporary world communist movement.

Our party has succeeded in solving the questions of choosing a path for the democratic revolution suited to China's specific conditions and for the socialist transformation of the means of production. After the socialist system was established in an all-round way, our party was confronted with a completely new and more difficult and complicated problem of breaking a new path for socialist construction that is suited to China's national conditions. Everybody knows that in the course of solving this problem, our party has made painstaking efforts and paid a heavy price. After going through a tortuous path, we are now embarking on a new journey of historical development. The 12th party congress represents a great milestone of this new journey. The documents, such as Comrade Deng Xiaoping's opening address at the 12th party congress, Comrade Hu Yaobang's report to the 12th party congress and the new party constitution, are the banners guiding our victorious advance. The documents comprehensively and penetratingly expound the basic contents of socialist economic, ideological, cultural and political construction, their respective status and their relationships with one another in accordance with guidelines of the party's general task in the new historical period. These expositions have taught us that the four modernizations are the focal point of the whole party's work and the basis for solving international and domestic problems. At the same time, great efforts should be made to build a high degree of socialist spiritual civilization and socialist democracy. Building socialist spiritual civilization and socialist democracy is both an important aspect of our fundamental objectives and tasks and an important guarantee for building socialist material civilization. The building of the three aspects are closely related with, and promote, one another. All these constitute a complete program for building socialism as proposed by our party. They also represent an enormous progress our party has achieved in the course of integrating the universal truth of Marxism with the concrete realities of our country and in its protracted efforts to explore a socialist path with Chinese characteristics.

Just as Comrade Deng Xiaoping said: In comparison with the time of the eighth party congress, our party has gained a much deeper understanding of the laws governing China's socialist construction and acquired much more experience. At the time of the eighth party congress, the situation in launching all-round socialist construction developed very speedily and our party was not adequately prepared in both theory and practice. The line of the eighth party congress was correct. However, it failed to mature or solidly establish itself and, consequently, failed to prevent the occurrence of serious errors in a later period. History has profoundly educated the whole party. From the 3d Plenary Session of the 11th CPC Central Committee to the 12th party congress, our party systematically summed up the historical experience, both positive and negative, since the founding of the PRC and finally reached a new scientific plane in understanding the specific conditions of Chinese society and ways to build socialism in accordance with China's specific conditions. Naturally, we cannot say that we have satisfactorily and thoroughly solved this problem. Many principles and policies still remain to be further perfected, substantiated and revised. However, it should be said that the basic path is correct. This is indeed of decisive significance to the growth and prosperity of our party and our socialist cause.

Comrade Mao Zedong set forth, expounded and proved the idea of the close relationship between our party building and party political line. More than 30 years' experience of party building since the founding of the PRC has once again confirmed this idea. In the period of democratic revolution, party building was closely interrelated with the party's task of dealing with the united front and armed struggle. Similarly, in the period of socialism, party building is also closely interrelated with the party's task of dealing with the socialist modernization program. When the party correctly formulated and implemented the line for building socialism, the party invariably developed and made rapid progress. Conversely, when there were some deviations in the party's line, particularly when such a serious error as the "Cultural Revolution" occurred, great damages were likewise done to party building. Now, our party has led the people in achieving a great transformation of historic significance and has formulated a correct program for socialist modernization, thus providing the most important and fundamental guarantee for the party's victorious development. In the course of creating a new situation in all fields in the years to come, our party will certainly be able to make our ranks purer and stronger in light of implementing the correct political line and, consequently, shoulder our historical missions more satisfactorily.

II

In accordance with the specific conditions and requirements of the new historical period, the party constitution has set forth in the general program the three basic requirements that should be met in strengthening party building: 1) A high degree of ideological and political unity; 2) wholehearted service to the people; and 3) adherence to democratic centralism. What should be done to meet the three basic requirements and raise party building to a new height in relation to the socialist modernization program set forth in Comrade Hu Yaobang's report to the 12th party congress?

A high degree of ideological and political unity constitutes the first of the three basic requirements. The unity referred to is a unity based on the basic political and ideological principles and Marxism. In the past, when the "leftist" errors held a dominant position within the party, normal debates on different views among comrades within the party were regarded as a serious struggle of line and as class struggle. Excessive means of struggle were used to enforce an erroneous ideological and political principle. This inflicted grave damage on the cause of the party and the people. We should never repeat this historical error. However, we should not negate the extreme importance of party leadership with the errors committed by the leaders of the party; neither should we negate the important principle of upholding a high degree of ideological and political unity in the party with the pretext that there has been a lesson of enforcing unanimity within the party under the erroneous guiding ideology. The problem is that we should rely on the improvement of the party's ideological and theoretical level, the maturity of its political experience, the soundness of its democratic centralism and the development of its democratic life to ensure ideological and political unity in the party based on Marxism. In view of the fact that the party has formulated a correct line and that inner-party life has been increasingly restored to normal, it is perfectly necessary and entirely possible for us to meet this requirement. In his report to the 12th party congress, Comrade Hu Yaobang has summed up our experience in effecting a great and historic change over the past 6 years. An important experience is that, on some major ideological and political questions of principle, the CPC Central Committee has waged appropriate struggles on two fronts--against both the "left" and the right deviation, and maintained the scientific character and unity of the party's guiding ideology. Without this scientific character and without this ideological and political unity, there would not be such a good political and economic situation as we have today. This truth is clear to all.

The socialist modernization program set forth by the 12th party congress has correctly handled the relationship between socialist economic construction, on the one hand, and socialist ideological, cultural and political construction, on the other. It has correctly handled the relationship between the contradictions among the people and those between the people and the enemy in the present stage of socialism as well as the relationship between the state, the collective and the individual. It has correctly handled the relationship between the actual conditions and present policies of socialism, on the one hand, and the ideological system and lofty ideals of communism, on the other. These are important problems which our party has, for many years in the past, strived to solve but has not been able to solve well. In handling these problems, the "leftist" errors have invariably driven an aspect of contradiction to extremes and handled it in a completely reverse and nonsensical manner, thus degenerating into serious idealism and metaphysics. The ideological and political unity enforced according to this "leftist" errors can only be formal or false unity, which inevitably damaged the party's fine tradition of seeking truth from facts, discredited socialism and dampened the enthusiasm of numerous party members in pursuing the communist ideal. The current correct program set forth by the CPC Central Committee has broken completely with the "leftist" errors in the past and has also made a clean break from the rightist deviation. To achieve political unity within the whole party with this program will enable the whole party to greatly raise its Marxist level, be firmer and more energetic in its current socialist practice and fully confident in the long-term prospects of future communism.

In its efforts to bring order out of chaos in all fields in the past few years, the CPC Central Committee has, first and foremost, promoted ideologically the Marxist vitality of daring to make innovations and inventions and discarded all viewpoints which have been worshipped in the past and which have been proved through long-term practice to be incorrect. It has applied basic Marxist principles and formulated principles and policies in accordance with objective conditions. It has also constantly improved and perfected the content of the present principles and policies through practice. The process in which these principles and policies have taken shape is one of constant development from practice to knowledge and from knowledge to practice, and one of repeated development of from the masses to the masses. There is no end to practice and there is no end to learning. The guiding ideology of the party is in a state of lively movement. Therefore, the high level of ideological and political unity which the new party constitution calls on the whole party to maintain is by no means a rigid and mechanical uniformity but a vigorous and lively unity based on correct integration of theory with practice and of leadership with the masses. This is a fine tradition which has taken shape in our party for a long time and which our party now pays particular attention to promote.

A primary factor in achieving a high level of ideological and political unity is to step up our study. The party constitution stipulates that all party members, particularly party cadres, should conscientiously study Marxism-Leninism and Mao Zedong Thought, essential knowledge concerning the party, and the party's line, principles, policies and decisions and acquire general, scientific and professional knowledge. They should go deep into the realities of life to conduct investigations and studies and be good at waging struggles against various erroneous tendencies inside and outside the party. In his report, Comrade Hu Yaobang stressed the necessity of vigorously stepping up the education and training of cadres. He regarded this as a strategic measure for improving the quality of cadres. We should carry out the training of cadres according to this guideline. Provided that party members and cadres achieve notable successes in their studies, the whole party will be able to have a common language on major ideological and political issues and further lead the masses.

III

The second basic requirement for strengthening party building set forth in the new party constitution is that party members should serve the people with heart and soul. Our party has always regarded service to the people as its sole purpose. It has always stressed that the words and deeds of party members should conform to the people's interests, for this is the highest criterion. In the protracted and ruthless armed struggles and underground struggles in the past, our numerous party members feared no sacrifices and fought bravely for the liberation of the Chinese people, displaying a high level of communist consciousness. After the party becomes a party in power leading the political power of the state, by relying on the political power, it is able to work for the interests of the people on a larger scale and degree. On the other hand, the leading status of the party also subjects it to the danger of divorcing itself from the masses and of abusing its power. Once this danger becomes a reality, the damages done to the interests of the people will be much more serious than an error committed in the revolutionary war period. The "Cultural Revolution" precisely serves as a profound lesson. It was the outcome of a fault in the building of party in power and was in turn a cause for the huge wound inflicted on the party. Due to the great damages done to the party politically, ideologically and organizationally in the decade of domestic turmoil, the phenomena of using public office for personal gain among some party cadres was fairly serious. Through consolidation of party organizations over the past few years, conditions have greatly improved in the party. However, the contradictions of whether serving the people or seeking personal gain have not been completely solved or have not been solved at all among many party members.

Comrade Hu Yaobang's report comprehensively analyzed the present condition of our party and set forth several problems that we should concentrate on solving in party building at the present stage. The party is reforming the leading bodies; leading cadres of the party at various levels are engaging in cooperation between the old and the new and the succession of the old by the new. The party demands that large numbers of young and middle-aged cadres be promoted to various leading posts in good time and that veteran cadres who have been relieved of their heavy responsibility in "front line" posts continue to shoulder the tasks of passing on experience, giving help and setting an example. The party demands that the young and middle-aged cadres who have been newly promoted to leading posts modestly learn the skills needed in economic and construction work and, with the spirit of doing pioneering work, score outstanding successes in their work. The party also demands that party organizations at various levels and the numerous party members establish close ties with the workers, peasants and intellectuals and step up work with the masses. In view of the fact that the existence of impurities in ideology, style and organization within the party is not suited to the new situation and tasks, it is therefore necessary to conduct an overall consolidation of party organizations over a period of 3 years. In a nutshell, the solution of all these problems will enable party organizations and party members to dedicate themselves with the spirit of serving the people with heart and soul in socialist modernization. Just as Comrade Hu Yaobang said: "We must lay stress on getting every member to understand clearly the character, position and role of the party and to realize that all party members have only the duty to serve the people diligently and conscientiously, and no right whatsoever to take advantage of their power and positions to 'fatten' themselves at the expense of the state and the masses." The members of a party in power have many favorable conditions and opportunities to use public office for personal gain, to benefit themselves at the expense of public interests or to "fatten" themselves at the expense of the state and the masses. In order to be a qualified party member, one should never be allowed to "fatten" oneself like this. In many of its articles, the new party constitution has made specific provisions on this question. This is also an important aspect showing that the requirements for party members and party cadres in the new period are more exacting than before.

Party members should have the idea of wholehearted service to the people. This is determined by the character and tasks of our party. Our party is the vanguard of the Chinese working class and its ultimate goal is the realization of communism. With the exception of the interests of the working class and the broadcast masses of people, the party does not have special interests of its own. The communist social system that the party wants to establish is the most advanced and superior social system in human history. Under this social system, the relationship between men and the relationship between the individual and society should be a completely new type of social relationship. Does the individual or society hold supreme? Is all for the individual or is the individual subservient to society? This is a fundamental factor distinguishing a new society of public ownership from the previous society of private ownership. In a communist society, there are ample and good conditions to ensure personal development and satisfy personal interests. However, personal interests must be subordinated to the interests of society and personal development must be adapted to the development of society. In the initial stage of communism, it is likewise necessary to establish the fundamental principle that society should protect the individual and the individual should submit to society. It is different from the higher stage of communism only in some respect of its specific contents. Therefore, the idea of wholehearted service to the people is a communist idea reflecting a new type of social relationship. An important component of building a high degree of socialist spiritual civilization is to develop this advanced idea and this new type of social relationship. If, in ideological building, our party does not put forward the requirement of wholehearted service to the people, the party's role of main support in the building of spiritual civilization in the entire society is out of the question. Neither can we use these contents to influence and educate the broad masses. Naturally, our party has invariably stressed that it is necessary to strictly differentiate publicity of the communist ideological system from the current program of action and the present policies. At the present stage, in economic and social life, we should uphold the system of distribution according to work and other social systems. We should demand that all members of society become communists. However, if, in the previous new democratic stage, our party was able to influence the masses with its communist spirit and win victories, are there any doubts about the necessity for party members to firmly acquire the idea of wholehearted service to the people today, when the party has stressed the building of socialist spiritual civilization as a fundamental objective of socialism?

IV

The third basic requirement for strengthening party building set forth in the new party constitution is adherence to democratic centralism. With respect to the stipulation of the party's basic principle of democratic centralism, the new party constitution is an improvement on all previous constitutions and is fuller in content. This is a special feature of the new party constitution.

In his report to the 12th party congress, Comrade Hu Yaobang also concentrated on expounding the importance of strengthening democratic centralism and further normalizing inner-party political life. Now, the political life of the CPC Central Committee and many local party organizations has been restored to normal. This represents a major progress. However, undemocratic practices and patriarchal ways still have not been eradicated in many organizations, and cases of decentralism and liberalism exist to a serious extent. We must concentrate on solving this problem when we strengthen the party organizationally in the days to come.

The party's democratic centralism reflects, in essence, a new type of political relationship within the party in the organizational system. In a socialist society, there is a new type of political relationship among the people and there is also a new type of political relationship within the political party of the working class. The 12th party congress pointed out that great efforts should be made to build a high level of socialist democracy and that it is necessary to establish, in accordance with the principle of socialist democracy, a relationship of equality between men and a correct relationship between the individual and society. Within the Communist Party, there should be a higher standard and stricter demand for this political relationship. All party members enjoy rights within the limits prescribed by the party constitution, discharge the duties of membership and observe a unified discipline. There should be equality in these basic respects. The duties and limits of authorities of the higher party organizations are different from those of the lower party organizations, and the duties and limits of authorities of party organizations are different from those of party members. In their mutual relations, there are differences between the leader and the led. However, these differences in work and posts do not mean that there are differences between the honorable and the lowly, between the high and the low. Politically, there is complete equality between them. Through the implementation of democratic centralism, the party develops truth and rectifies errors, thus attaining unity and unification of the party on the basis of Marxism. This new type of political relationship cannot be mentioned in the same breath with the feudal autocratic system and bourgeois liberalism. The organizational system of the party's democratic centralism has been established on the basis of this new type of political relationship; the improvement of the functioning of democratic centralism invariably promotes the development of this new type of political relationship.

When referring to the reform of the system of leadership and the leading organs, Comrade Hu Yaobang, in his report, also concentrated on expounding on the correct solution of the question of party leadership over government organs and over enterprises and institutions. It was pointed out in the report that it is necessary to achieve a proper division of labor between the party and the government and between party work and administrative and production work in enterprises and institutions. This is a major question concerning how the party can correctly bring into play its leading role. The new party constitution has for the first time made a clear stipulation in this respect. A good solution of this problem will enable CPC committees at various levels to extricate themselves from routine administrative work and strengthen party leadership ideologically and politically and party building so that the administrative and production departments can do their work actively, independently and concertedly, thus bringing their usefulness into full play. This problem also involves the establishment of a new type of socialist political relationship of democracy and equality between the party and the nonparty masses. We should regard it as a fundamental principle for building socialist spiritual civilization and socialist democracy and solve it conscientiously, gradually and rationally.

We should improve the functioning of democratic centralism and reform and improve the party's system of leadership in state life so that our relationship within the party and outside the party may develop soundly and so that we can create a political situation in which we have both centralism and democracy, both discipline and freedom, both unity of will and personal ease of mind and liveliness. By that time, there will be unlimited prospects for the cause of socialist modernization.

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THE BASIC POLICY OF ATTAINING A HIGH LEVEL OF SOCIALIST DEMOCRACY

Beijing RED FLAG in Chinese No 21, 1 Nov 82 pp 14-18

[Article by Lu Zhichao [4151 0037 6389]]

[Text] Like building a high level of socialist material and spiritual civilization, building a high level of socialist democracy is one of the fundamental tasks and targets of our country's people in the new historical period. Since the 3d Plenary Session of the 11th CPC Central Committee and under the leadership of the CPC Central Committee, extensive publicity and discussions have been carried out on the theory of building a high level of democracy, and many practical reforms with far-reaching significance have been made. The democratic system in our country, damaged in the past, has been restored and developed. However, building a high level of democracy is an arduous task and requires a long process of struggle. Discussions held in the past few years show that there exist different and even opposing views on many questions concerning democracy. These different views involve the understanding of the nature of socialist democracy and of questions such as democracy and dictatorship, democracy and centralism, the democratic system and democratic life, democracy and the legal system, democracy and party leadership, and so on. In his report to the 12th party congress, Comrade Hu Yaobang gave in principle clear answers to these questions. The "report" is the guiding policy for building democracy from now on and at the same time it should also form the basis on which we increase our understanding and unify our thinking.

I

In the sections concerning the building of democracy, the "report" first makes clear the nature of socialist democracy in our country and expounds the relationship between democracy and dictatorship.

The word democracy has many meanings and is often used to signify different things. According to the Marxist point of view, democracy is first of all a question of state system. Lenin said: "Democracy is one sort of state form, one of its patterns." ("Selected Works of Lenin," Vol 3, p 257) In history, the replacement of the feudal system by bourgeois democracy was a great step forward. However, bourgeois democracy is only democracy for the exploiting classes, a very small percentage of the population, and it is a trap and a fraud for the proletariat and other laboring people. Bourgeois democracy is in essence bourgeois dictatorship but the bourgeoisie has never admitted this. After leading the broad masses of the people in seizing state power, the proletariat set up the dictatorship of the proletariat, or the people's democratic dictatorship. Since this kind of democracy is for the laboring people, who account for the overwhelming majority of the population, and dictatorship is exercised only over a very small number of exploiters and hostile elements, the proletariat and the laboring people can openly announce that they must exercise dictatorship over the people's enemies while practicing democracy among themselves. As long as class struggle still exists, we must not deviate from Marxist theories on class struggle and on the state when examining and handling issues concerning democracy.

The basic Marxist views on democracy mentioned above have been repeatedly expounded in the party's documents in the past few years. The following questions can be explained on the basis of these views: First, democracy, which is a form of state structure and state system, also involves dictatorship. Therefore, when our party calls for building a high level of socialist democracy, it is at the same time calling for strengthening and consolidating the people's democratic dictatorship. Only by developing a high level of democracy can we effectively exercise dictatorship and ensure the smooth progress of socialist construction. It is one-sided and wrong to separate democracy from dictatorship, thinking that calling for a "higher level of democracy" means ignoring dictatorship over the enemy, or that stressing the necessity of exercising dictatorship over the enemy means restricting democracy. Second, as a state system, socialist democracy is won by means of revolutionary struggle under the leadership of the proletariat and is not established on the principle of the minority submitting to the majority. Moreover, after establishing this democratic system, a handful of class enemies who oppose socialism cannot be treated on the principle of the minority submitting to the majority. The principle of the minority submitting to the majority only applies to the question of how to exercise state power among the people. We must understand that class relationships come before relationships between the minority and the majority among the people under a democratic system. Otherwise, confusion will occur. Third, viewed from the essential nature of state power, socialist democracy, we say, is incomparably superior to bourgeois democracy. As Lenin said, it is "millions of times" more democratic than bourgeois democracy. ("Selected Works of Lenin," Vol 3, p 634) This is because in our socialist country, although the democratic system and democratic life have not yet been entirely developed or perfected the proletariat and the laboring people are already in the ruling position and are masters of the country. On the other hand, in the capitalist countries, even in the most democratic ones, the broad masses of the people are still being ruled and exploited. If we forget fundamental class relationships and compare our democracy with bourgeois democracy only in terms of concrete systems and forms, serious ideological confusion will occur.

Some people may ask: Since socialist democracy is of a higher type, why do we still say that our democracy is not extensive enough and why must we set ourselves the target and task of building a high level of democracy? This involves another aspect of the meaning of democracy. In the above discussions, we talk about the nature of state power, that is, state structure. Here, we will talk about the administrative system, that is, the form of organization of state power, the building of the democratic system and the development of democratic life. In this sense, our democracy is really not good enough and building a high level of democracy will involve a protracted process.

Socialist democracy is a new type of democracy meaning that the whole of the people manage the state. Since the socialist system has a short history, the task of building a high level of socialist democracy has not yet been accomplished in any country. Besides, accomplishing this task in China will involve special difficulties. China went through a feudal period lasting several thousands of years and it lacks democratic traditions. In the past, we did not pay enough attention to developing democracy either. So a lot of time is needed to make up for this. Besides, we have little experience in this respect. Under these circumstances, we can only accomplish the task of building a high level of democracy through systematic, unremitting and protracted efforts to carry out the modernization program and to build socialist spiritual civilization. It is not realistic to expect quick results or to attempt to do everything at one go.

In short, with regard to the question of building a high level of democracy, we must distinguish between the two different meanings of democracy and at the same time we must realize that they are closely linked. The proletariat and the laboring people have seized state power and set up the people's democratic dictatorship. This is the prerequisite for developing the democratic system and democratic life. Without state power, there will be no democracy for the laboring people. On the other hand, developing a highly democratic system and life is an important condition for upholding the people's democratic dictatorship. Without these, the power of the whole people to manage the state will never be fully realized or guaranteed.

II

As far as the development of the democratic system and democratic life is concerned, our task in building a high level of socialist democracy, according to the report to the 12th party congress, involves the following main aspects:

1. The key to developing a high level of democracy is to continue to reform and improve our country's political structure and the structure of its leadership in accordance with the principle of democratic centralism, and strengthen the building of organs of state power at all levels. The purpose of this work is to enable the people to better exercise state power and to enable government organs to lead and organize the people in building socialism.

All our state power belongs to the people. However, it is impossible for a billion people to directly grasp and exercise state power together. They must do so by means of government bodies composed of their representatives. Lenin said: "We cannot imagine democracy, even proletarian democracy, without representative institutions." ("Selected Works of Lenin," Vol 3, p 211) In our country, the organs through which the people exercise state power are the National People's Congress and local people's congresses at all levels. This system of people's congresses organized according to the principle of democratic centralism, is an administrative system suited to our country's conditions, and a form of organization of state power capable of giving full expression to socialist democracy. Reforming our country's political structure and the structure of its leadership does not mean changing this basic system but reforming specific systems and forms of organization which have drawbacks and defects in order to improve this fundamental system day by day. There are two aspects of these reforms. With regard to the political system, they include strengthening the power of people's congresses and their respective standing committees at all levels, strengthening the functions and powers of the State Council and the people's governments at all levels and strictly implementing the responsibility system, abolishing the lifelong tenure system for state leaders, improving the election system and the supervision system of the masses over state cadres, and so on. Regarding the structure of the state's leadership and leading organs, these reforms are mainly aimed at overcoming problems such as overcentralization of powers, cadres concurrently holding too many posts, excessive numbers of deputies, overlapping organizations, duties and responsibilities not being clearly defined, overstaffing, mixing up the party's work with that of the government, bureaucracy and inefficiency. The essence of this work is to reform irrational cadre systems and to ensure that the ranks of cadres gradually become more revolutionary, younger in average age, better educated and more professionally competent. Reforms in this respect are more specific but very important parts of the reform of the political system.

The crucial question in this kind of reform is to implement the principle of democratic centralism comprehensively, from top to bottom. On the one hand, the power of state organs at all levels must be based on extensive democracy and these organs must really represent the interests and will of the people and enable the people to exercise their power. On the other hand, these organs must exercise the necessary centralism based on democracy so that they will become authoritative and effective and will be able to effectively lead and organize socialist construction. Centralism based on democracy is an inevitable means and form for realizing democracy. Some people think that calling for the building of a "high level of democracy" means ignoring centralism, while others think that centralism restricts democracy. They do not really understand the system of democratic centralism.

Of course, as a democratic political system, democratic centralism must first of all adhere to the principle of the minority submitting to the majority, and embody the views of the majority. However, in the work of our state organs, the principle of democratic centralism should at the same time become a kind of work method and work style. This kind of work method and work style is appropriate and complementary to the democratic nature of our political system. In the past, we often regarded centralism based on democracy as merely a work method and work style and were not conscious that it was first of all a system. Of course, this is wrong. However, it is also a one-sided view to deny that at the same time democratic methods and style are necessary for a democratic system.

2. Socialist democracy is not merely a kind of political system. It should also be extended to various aspects of the people's political, economic, cultural and social life. This is an important part of developing a high level of democracy and an important expression of the superiority of socialist democracy over capitalist democracy. First, in addition to exercising their right to run the state by means of people's congresses at all levels, the people, as masters of the country and the society, must also directly enjoy rights of management to varying extents and in various forms in the political, economic, cultural and social life in which they participate. Only in this way can they give full play to their enthusiasm and initiative. Our country is so big that democracy will not exist in an all-round way if people only enjoy the former right. Second, democracy implies equality. In order to develop all-round socialist democracy, we must also establish, among the people and according to the principle of democracy, equal political relationships between man and man, including equality between nationalities, equality between man and woman, equality among citizens before the law, relationships between citizens and the state and social rights and duties. We must ensure that these relationships will become political guiding principles which people must observe, and ideological habits. This is an important part of building democracy and at the same time an important part of building socialist spiritual civilization. Third, in order to attain the goal mentioned above, democracy should also become a way for the people to carry out self-criticism and learn democratic, collective and communist ideology. A democratic method is one of discussion, criticism and self-criticism, persuasion and education. This is a method which was created by our party and the revolutionary ranks led by our party long ago and has been effectively used to raise the people's ideological consciousness and to resolve contradictions among them. Since the founding of the country, it has also been popularized among the whole people and very good results have been obtained. We must also see that without using the democratic method and raising the people's consciousness everywhere, the building of the socialist democratic system and the development of democratic life are not guaranteed.

We must closely link the building of socialist democracy with the building of the socialist legal system and systematize and legalize socialist democracy. With regard to this question, there exist two confused ideas. The first is thinking that it is insufficient to stress only the building of a "high level of democracy" because this will make some people ignore the law and social order. The second is thinking that the law restricts democracy and that stressing the building of the legal system will restrict the development of democracy. Both of these ideas result from the same mistaken view of democracy not as a system but as anarchy under which one may do as one pleases and the legal system is not regarded as a guarantee for democracy but as a restriction to it. These ideas set democracy against the legal system in two different aspects. Neither the nature of socialist democracy nor the functions of the socialist system have been correctly understood. As a matter of fact, if we understand the correct meaning of socialist democracy and clarify the relationship between democracy and dictatorship, democracy and centralism, and the democratic system and democratic life, we will understand that socialist democracy is a political system and a social order which most conforms to the interests and desires of the whole people and is the most healthy and rational political relationship and habit of life. The socialist system only consolidates it in a legal form. Harming the people's interests and social order, and anarchy under which one may do as one pleases, are forbidden by the law because they undermine democracy. The nature and functions of socialist democracy and the socialist legal system are essentially the same. The task of building a high level of democracy put forth by our party includes improving the socialist legal system.

Why should we then put forward the idea of closely combining the development of democracy with that of legal system? This is because socialist democracy is the content and foundation of the socialist legal system while the socialist legal system reflects and guarantees socialist democracy. Socialist democracy, whether as the essence of a country and the form of organization and mode of activities of state power, or as a guiding principle for the people's political relations and political life, should be written into law by the organs of state power (including constitutional and general laws). These laws must be observed by everybody, and compulsorily enforced by the organs of state power. Only in this manner can socialist democracy become an authoritative, firm and unshakable system. The degree of perfection of the socialist legal system marks the level of maturity and development of socialist democracy. Therefore, strengthening democracy and perfecting the legal system are two organically related aspects of the task of the development of a high level of socialist democracy.

The report to the 12th congress sums up our achievements in developing the legal system and puts forward our task for the future. Since the 3d Plenary Session of the 11th CPC Central Committee, our party has summed up and drawn on historical lessons, begun to pay attention to developing the legal system and scored remarkable achievements. As a result, we have put an end to the idea and situation of "despising all law and authority" and set up initial rule by law. The draft of the new constitution soon to be examined and approved by the National People's Congress will in particular open a new phase in the development of our country's socialist democracy and legal system. It will provide an essential basis for extensive legislative work in the future. Our party's task for the future is to continue to lead the people to formulate and perfect various kinds of law while strengthening its leadership over the administration of law, strengthening education in the legal system and ensuring by various means the strict enforcement and observation of the law of our country.

Judging by the present situation, the latter task is even more important. This is because at present many of our people lack the concept of a legal system or are ignorant of the law. Our youth in particular is even more ignorant about the law and its meaning. Quite a large number of our party members, including some of our leading cadres fail to see the significance of developing the legal system. Some of them even have a "special privilege" mentality and think that the law is formulated for common people, not for them. This is why there still exists the malpractice of failing to act according to the law or to strictly enforce it. In order to put an end to this malpractice, we should first carry out education in the legal system among all our people. In particular, we should educate and supervise the broad ranks of our party members and cadres and tell them to take the lead in observing the constitution and the law. We should begin with our broad ranks of party members and cadres, make every citizen understand the law and the obligation to observe the law and set up a practice of doing everything in accordance with the law throughout our society. Second, we should strictly enforce the law. The key to this is the actual implementation of the principle that every citizen being equal before the law. We should not allow any organization or any individual to have the privilege to transcend the constitution and the law. Our party should steadfastly safeguard the power of the judicial organs in independently exercising their authority and performing their duties. It should encourage and support the judicial workers in enforcing the law in an impartial and incorruptible manner. It should crack down on any practice of bending the law for the benefits of one's relatives or friends.

III

Our country's socialist construction, including the construction of the material and spiritual civilizations and the development of a high level of democracy must be carried out under the party's leadership. The task, theory, principle and policies of developing a high level of democracy have been put forward by the party and must be gradually carried out under the leadership of the party. The question of whether we accept the leadership of the party is the key to the question of whether we will be able to develop our democracy along a socialist path. Recognition or otherwise of the party's leadership is the demarcation line between the socialist concept of democracy and the various kinds of erroneous bourgeois and petit bourgeois concepts of democracy. A very small number of people propose breaking away from the party's leadership, advocate a kind of "absolute democracy" divorced from the party's leadership and even raise the banner of fighting for democracy and freedom against the party. These people proclaim themselves or are called by others in flattery "fighters for democracy." In fact, their thoughts and actions hamper and impair the development of socialist democracy.

It is common for our comrades to have some muddled perception of the relationship between the development of democracy and the leadership of the party. Some think that since democracy means all the people being the masters and making decisions according to the principle of the minority being subordinate to the majority, it seems that we should not stress the party's leadership. Otherwise, we will go against the principle of "democracy." This view treats the principle of the people being the masters and the majority making decisions as being abstract and absolute and thus distorts this principle. The party's leadership means using the revolutionary consciousness of the advanced class and the science of Marxism-Leninism to clearly point out the correct path of revolution and construction, enlighten the people, readjust their relationships, correctly sum up the interests and will of the people and unite and guide more and more masses in conscientiously carrying out the struggle for their own fundamental interests. The party is an indispensable tool for the people to win their final liberation that has emerged in the revolutionary struggle of the proletariat and the masses of people. Without the leadership of the party, it would have been impossible in the past for the people to overthrow reactionary rule and win democracy; without the leadership of the party, it is impossible at present for the people to correctly and effectively exercise their right as masters. A little recollection of history and a little consideration of reality will enable us to realize that without the leadership of the party, it would be impossible for the people to exercise their right as masters in dealing with problems which are relatively wide in scope or complicated, let alone problems related to revolution and construction among millions of people. Therefore, a democracy that throws away the leadership of the party cannot be a socialist democracy. It only means worshipping the spontaneousness of the masses and being the tail of the masses. It will inevitably result in going against the will of the majority and harming their interests.

However, the party's leadership involves mainly the formulation of the correct line, principles and policies and the gradual raising, through ideological and political work and the exemplary and guiding role of party members, of the people's awareness and the work of guiding them in fighting for their own interests. The party does not exercise its leadership over the people but among them. Just as it was impossible in the past for the party to act single-handedly to seize state power in place of the people, it is impossible now for the party to exercise the people's right as masters in their place. It can only organize and support the people in exercising their rights as masters. In the opinion of some comrades, the party's leadership conflicts with democracy and democracy is at best nothing but form. This has given rise to ideas and activities of neglecting the development of the system of democracy and failing to observe the law approved by the legislature of the people. By so doing, they will inevitably become divorced from the masses and weaken and impair socialist democracy and the legal system. Moreover, when the party's leadership commits mistakes and encroaches on the people's interests in dealing with some problems, we will not be able to promptly correct it. We have learned very profound lessons on this in the past. We should understand that the party is a part of the people. The party leads the people to set up the system of democracy and formulate the constitution and law. This system, constitution and law embody both the party's line, principles and policies on the one hand and the whole people's common interests and will on the other, reflecting the fact that the party's leadership and the people's exercise of the right as masters coincide. Therefore, the party must take the lead in implementing and observing this system, constitution and law. The "report" particularly stresses the principle that "the party must act within the scope allowed by the constitution and law." It demands that the activities of all party members and organizations including both the central and the basic levels must be in accordance with the constitution and law of the state. This shows that the party takes the lead and respects the people's rights. As for the activities of some cadres who, under the pretext of exercising the party's leadership, use their power of office to pursue their private interests and privileges and violate the democratic system and the law of the state, they can never be regarded as exercising the party's leadership. On the contrary, they directly undermine the party's leadership. Of course, these activities must be strictly banned.

In short, our party's principle and policies on the theoretical relationship between developing democracy and strengthening democracy are clear and correct. Some specific systems and measures have to be formulated after we have made further practical investigations and summed up our experience. The key is to strive to improve the party's leadership while adhering to it. All our party members must pay attention to the development of democracy, establish an intimate and trusting relationship with the masses of people and their representative organs, and promote the development of the socialist democratic system and legal system by their exemplary actions in respecting democracy and observing the law.

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A RELIABLE GUARANTEE FOR SOCIALIST CONSTRUCTION

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[Article by Shao Huaze [6730 5478 3419]]

[Text] Vigorously strengthening the modernization of national defense and further consolidating it is a reliable guarantee for the people of the whole country devotedly to carry out socialist construction.

In his report to the 12th CPC National Congress, Comrade Hu Yaobang put forward to the whole party and the people of the whole country the task of strengthening national defense. We must see the importance of this task and vigorously carry it out by linking it with our country's situation in the international arena and with the overall situation in our country's socialist construction.

Modernization of National Defense Is an Important Part of Socialist Modernization and a Strong Guarantee for Socialist Construction

The 3d Plenary Session of the 11th CPC Central Committee formulated the strategic policy of shifting the focus of party and state work to modern socialist economic construction. This policy was set forth on the basis of the principal contradictions which needed to be resolved at home and also on the basis of our experiences and lessons of the past. It reflected the eager wish and basic interests of the people of the whole country.

In order to concentrate our energies on carrying out socialist modernization, we need a sustained, consolidated political situation of stability and unity at home as well as a peaceful international environment. In his report entitled "The Current Situation and Tasks" delivered on 16 January 1980, Comrade Deng Xiaoping said: "As far as China is concerned, our foreign policy is to seek a peaceful environment in which to accomplish the four modernizations." "This is a major issue compatible not only with the interests of the Chinese people but with those of the people of the whole world."

However, unlike domestic affairs, international affairs are not decided exclusively by us. In the world at present, the superpowers are engaged in fierce competition for their own benefits and for global domination. They are the main cause of unrest and turmoil in the world. The flames of war are raging in many places. The 1980's will be a decade marked by great turbulence and riddled with crises. Of course, the consciousness of the people of the world is widening and the forces against hegemonism are developing. Experience shows that the people of the world can upset the superpowers' strategic plans through persistent, unremitting struggle. World peace can be maintained provided the people of the whole world are truly united and struggle resolutely against hegemonism and expansionism of all kinds. However, possibility is not reality. Take China's actual environment for example. The Soviet Union has amassed heavy troops in its areas bordering on China and in areas in Mongolia bordering on China. It supports Vietnam in its invasion and occupation of Kampuchea, expansionism in Indochina and Southeast Asia and continuous provocation in areas bordering on China. It invaded and occupied Afghanistan, China's neighbor, by armed force.

We are carrying out socialist construction under international conditions in which the world is far from tranquil and the danger of war still exists, and in a situation in which China's security is seriously threatened. For this reason, we must never slacken our vigilance and must strengthen the modernization of our national defense.

Strengthening our national defense is closely related to seeking a peaceful international environment. In seeking a peaceful environment for socialist construction, we need a correct foreign policy on the one hand and a consolidated national defense on the other. Both are indispensable. Hegemonists and other reactionary forces are bent on increasing actual strength to attain their goal of aggression and expansion. In order to cope with their aggression, we should definitely develop our own actual strength. When our actual strength (including our economic resources, political power and defense capability) is augmented, they will be forced to refrain from making reckless moves against us. Should they be blinded by lust for gain and stubbornly invade us, we will have full confidence in defeating them in battle. For this reason, based on the interests of our state and nation and those of defending world peace, we regard the modernization of our national defense as an organic component of the four modernizations. Building a powerful national defense is an important part of socialist modernization and an important guarantee for socialist construction. Socialist China is a peace-loving country which has a strong defense capability. Should anyone dare to launch a war of aggression against China, a crushing defeat is the only answer for them.

Our Policy Is To Strengthen National Defense on the Basis of Vigorously Developing Economic Construction

Building up national defense is a matter of great importance. However, strengthening national defense involves questions of both policy and guiding ideology.

The building up of national defense has different parts, involves work in many aspects and requires the existence of various conditions. The most important prerequisite is the development of the national economy. Building up national defense by taking it as an isolated matter is one policy; strengthening national defense on the basis of economic development is another. Practice shows that only the latter policy is correct and effective. This correct policy was first put forth by Comrade Mao Zedong in his famous report entitled "On the Ten Major Relationships" delivered in 1956. He said: "We must strengthen our national defense, and to that end we must first of all strengthen our work in economic construction." "Only with faster growth in economic construction can there be greater progress in the building up of national defense."

According to the Marxist viewpoint, economic resources are the material basis of violence. Modern defense and modern warfare have become more dependent on the economy. As a result of the rapid progress in science and technology and the increasing modernization of industry and communications, defense equipment and installations need to be improved constantly and the weapons and other equipment of the armed forces also need to be renewed from time to time. This inevitably entails a tremendous increase in defense spending, both financially and materially. The needs and consumption of materials in modern warfare are beyond comparison with that in old-type warfare. Take the recent Malvinas war between Britain and Argentina for example. The war lasted for more than 70 days, inflicting heavy material damage and losses on both sides. Reportedly, Britain spent about $2 billion on this expedition. Of course, whatever the conditions in which a modern war is fought and no matter how modern the weapons may be, political and human factors play a final, decisive role in determining whether a war will end in triumph or defeat.

The "theory that weapons are decisive" in war was wrong in the past and still is wrong today. Yet, the grim reality is that weapons are playing an ever-increasing role in war. Failing to realize or neglecting this point will surely lead to mistakes.

Undeniably, under the party's leadership and with the vigorous efforts of the people of the whole country over the past 33 years, we have won enormous achievements in building our national defense, and our army has expanded from a land force into a comprehensive army also including air and naval forces and other technical units. Relying on our own efforts, we have devised and produced the atom and hydrogen bombs, long-range guided missiles and other sophisticated strategic weapons for self-defense. We see this as something to be proud of. This is an important factor deterring the imperialists from launching a large-scale invasion against us. However, generally speaking, our weapons and equipment are relatively backward; they are restricted chiefly by the levels of economic development of our country. Modernization of national defense can only be a gradual process.

For this reason, we must correctly handle the relationship between building up the economy and building up national defense. The general principle guiding this relationship is, as pointed out in the "Resolution on Certain

Questions in the History of Our Party Since the Founding of the PRC" adopted by the 6th Plenary Session of the 11th CPC Central Committee, that "the building up of national defense must be in keeping with the building up of the economy" and, as pointed out by Comrade Hu Yaobang in his report to the 12th CPC National Congress, that "our national defense must be strengthened on the basis of vigorous economic development."

The 12th CPC National Congress put forward the objective of our country's economic construction for the last two decades of this century. Once this objective is realized, our country will have much greater economic strength and defense capability. In this sense, while striving to realize this great strategic objective of economic construction, we are vigorously strengthening national defense. If our tasks, including the building up of national defense, are separated from the central link of economic construction and impede economic development, the building up of national defense will inevitably be impeded; this does not accord with the people's interests.

On the other hand, with the daily development of the economy and the gradual improvement in people's livelihood, national defense should be modernized continuously. National defense should be supplied with increasingly better material and technical conditions and with ever better weapons and equipment which it needs. In drawing up plans for the development of industry, transportation, science and education, attention should be paid to the needs of building up national defense and launching a war against aggression in the future. From the viewpoint of national defense, first we should do what we are capable of doing, and second, we should strive to do it well. The first means that the scale and speed of building up national defense should be appropriate, should not go beyond the limits of our national financial and material capacities and should not affect the speed of economic construction. The second means that the limited financial and material resources should be used properly by bringing subjective initiative into full play and by adopting the various effective measures of having better troops and simpler administration and strictly practicing economy, so as to attain the greatest possible results. As far as the army is concerned, it must continuously improve its weapons and equipment and make full use of the existing ones so as to win victory with the available weapons and equipment. The building up of our national defense will develop steadily provided we adopt this correct policy.

Strive To Build the PLA Into a Regular, Modern and Powerful Revolutionary Army

The key to modernizing national defense is to build a regular, modern and powerful revolutionary army.

Our PLA has developed in the fire of a protracted revolutionary war. It is a completely new type of people's army led by the party, and numerous facts have proved that it is an army with powerful combat effectiveness. After the smashing of the "gang of four" and especially since the 3d Plenary Session of the 11th CPC Central Committee, just as Comrade Hu Yaobang pointed out in his report to the 12th party congress: "The PLA has achieved marked successes in improving its military training and its ideological and political work, in bettering its relations with the civil authorities and the people, in defending our frontiers and safeguarding national security and in helping socialist construction. It has further enhanced its military capability and political consciousness in line with the new historical conditions." We firmly believe that by working hard on this basis, the tempo of army building can certainly be accelerated.

New conditions, which did not exist before, have appeared in contemporary warfare. The most salient feature is three-dimensional warfare. It means that warfare will be simultaneously carried out in the air, on land and at sea, and it will be difficult to differentiate between the frontline and the rear areas. To adapt to the demands of this kind of warfare, we must further build the PLA into a powerful composite army able to operate in concert with various branches of the services under modern conditions. The organizational system, weaponry, strategy and tactics as well as cadre training of the army must be oriented in this direction.

The state of weaponry has an important bearing on the formation, establishment, strategy and tactics of the army. The appearance of modern weapons and the extensive application of the latest achievements of science and technology in war have presented numerous new problems to the pattern, strategy and tactics of warfare as well as to military organization. The PLA is now engaged in the world of readjusting, reorganizing and restructuring. It has implemented the policy of improving the quality of the troops, simplified the leadership structure, strengthened the composition of all service arms and intensified composite training. This is a policy decision of great significance. The implementation of the policy of readjustment will further improve the combat effectiveness of our army.

In the building of modern armed forces, the organization and command of warfare under modern conditions require large numbers of qualified personnel in the military, political and logistic fields. In the war years of the past, our party and Comrade Mao Zedong explicitly called for "learning warfare through warfare." This correct policy destroyed the aura of mystery surrounding military work for the whole party, successfully trained large numbers of military personnel who were brave and skillful in battle as well as loyal to the people, and resulted in the victory of the revolutionary war. Today's conditions are different. Qualified personnel who can organize and direct contemporary warfare must be fostered by relying on strict regular training in times of peace. In 1975 Comrade Deng Xiaoping proposed that the army raise the strategic position of education and training. In recent years, close attention has been paid to army training and the contents and methods of training have been reformed to meet the demands of future operations. All categories of military colleges at all levels have become better and better run, and outstanding results have been achieved. The modern military attainments of the cadres have rapidly improved, and the basic level cadres who have mastered the tactical skill and specialized ability of fighting under modern conditions are maturing. In the past, the battle fought continuously for more than

20 years meant that units possessed a large number of veteran cadres who had been tempered and tested for a long time in warfare as the backbone force in our army building.

This constituted the distinguishing feature and the superiority of our army. In recent years, a large number of young and middle-aged cadres with both ability and political integrity who are full of vigor and in good physical condition have also been constantly promoted to leading posts at all levels. This has injected new blood into the cadre contingent and made it more vigorous. Given the tasks and demands of the army, making the cadres more revolutionary, younger in age, better educated and professionally more competent is of paramount importance. The proper solving of the problems of training cadres and making them younger in age will be of important significance to developing a new situation in army building.

Regardless of how weaponry will change or how different the pattern and scale of warfare will be, the morale, combat will and spirit of sacrifice of the army members play a very important role in the outcome of a battle. We have absolute superiority in this respect. The commanders and fighters of our army are loyal to the motherland and the people, and their revolutionary spirit of fearing neither hardship nor death and their strict and conscious discipline are world famous. In the protracted revolutionary war, the PLA established a complete set of ideological and political work policies, principles and methods which guaranteed its consolidation, raised morale and strengthened organizational discipline. During the 10 years of internal disorder, the fine tradition of army ideological and political work was severely damaged. After the smashing of the "gang of four" and especially since the 3d Plenary Session of the 11th CPC Central Committee, this tradition has been restored and carried forward.

In the building of socialist spiritual civilization, based on its own characteristics, the army has developed "four haves, three stresses and two fear nots" (have ideals, ethics, knowledge and physical strength, stress military appearance, manners and discipline, fearing neither hardship nor death) activities, and outstanding results have been obtained within a short time. A large number of advanced collectives and advanced individuals have appeared, and a profound change has taken place in the spiritual aspect of the army. Along with the more extensive and penetrating development of these activities and the further strengthening and improvement in ideological and political work, the revolutionization of the army will be raised to a new level. Our army has come from the people. It serves the people and has flesh-and-blood ties with the masses. The people also always use this profile of the image of the army to judge our party and state. The quality of the spiritual face of the army has a very important effect on the prestige of the party and the dignity of the motherland and also plays a very important role in improving party style and popular custom and building the whole of socialist spiritual civilization. The report to the 12th party congress proposed that "our army will serve not only as a Great Wall of steel guarding our socialist motherland but also as an important force in building our socialist material and spiritual civilization." This shows the high degree of confidence placed by the CPC Central Committee on the army, and is a glorious task the army should and also must certainly undertake.

According to the teachings of Marxist-Leninist countries, the army is an important component of the state mechanism. The "Draft of the Revised Constitution of the People's Republic of China" which will soon be submitted to the National People's Congress for consideration, has given a new definition on the position of the army in the state system and stipulated the setting up of a Central Military Commission of the state. This has been made as a result of summing up historical experiences and proceeding from our country's actual conditions and needs. This stipulation does not in any way abolish or weaken the leadership of the party over the army. The PLA is a people's army created and led by the CPC. History has proved that the leadership of the party over the army is essential for the interests of the state and the people and definitely cannot be shaken.

The preamble of the "draft of the revised constitution" has already clearly affirmed the leadership role of the party over the state and naturally also includes leadership over the part of the army belonging to the state. The various effective systems of the party leading the army, which have been practiced for a long time, must continue to be upheld. This is the basic guarantee for always preserving the quality of a people's army as well as the basic guarantee for speeding up the building of a modern regular army, and completely accords with the greatest interests of the people throughout the country.

Construction of Strong National Defense Must Rely on the Joint Efforts of People Throughout the Country Under Party Leadership

National defense modernization is one of the objectives of struggle for people throughout the country put forward by the party. National defense construction covers many fields. It is not the business of one or two departments nor is it just the business of the army. Strengthening national defense includes raising the combat effectiveness of the people's army, and this can only be achieved by relying on the joint efforts of the army and people under the unified leadership of the CPC Central Committee.

Under peaceful conditions, improving the people's understanding of national defense is an important matter. We must not waver in the least and must always adhere to this point of taking economic construction as the basis. However, we must guard against the misunderstanding among some of the comrades who seem to think that national defense construction is no longer so important. Our construction must as far as possible strive for a peaceful international environment. However, we cannot, because of a peaceful life, adopt the attitude of lowering our guard and slackening our vigilance. In particular, members of the PLA absolutely cannot slacken their combat will in the slightest, and they must be mentally prepared at all times to cope with all possible emergencies. Not having a concept of national defense will greatly affect national defense construction in normal times and anti-aggression wars in the future. Lenin, at the Ninth All-Russia Congress of Soviets, said: "Having started on our work of peaceful development we shall exert every effort to continue it without interruption. At the same time, comrades, be vigilant, safeguard the defense potential of our country and strengthen our Red Army to the utmost." Under the premise of engaging in peaceful development, Lenin's decision to educate the people not to slacken their attitude of taking precautions was farsighted and showed a high degree of responsibility toward the interests of the state and the people. This is still of guiding significance to us today.

The strengthening of unity between the PLA, the civil authorities, the army and the people and the correct handling of relations between the army and its localities have an extremely important bearing on the construction and consolidation of national defense. The PLA is an army composed of the sons of the people and the relations between the army and people are inseparable as fish and water. If the army becomes separated from the people, it will not be able to move a single step. In the past, our people needed a powerful army for their own emancipation. After victory, they also needed a powerful army in order to keep their minds at rest for labor. For a long time, under the leadership of the party and Comrade Mao Zedong, the PLA not only developed close unity with the people but also created a series of correct principles and methods for handling the relations between the army and the locality. In recent years, for the sake of eliminating the mistakes of the "Great Cultural Revolution" and especially the aftermath caused by the sabotage of the Lin Biao-Jiang Qing counterrevolutionary cliques, the army and the locality have carried out a great deal of work under the leadership of the party, and unity between the army and people has greatly strengthened.

In the battlefield on the self-defense counterattack operation against Vietnam, in the struggle to combat calamities and deal with emergencies, in urban as well as rural areas and in coastal as well as frontier defenses, stirring deeds of the army cherishing the people and the people supporting the army can be seen everywhere. Such patriotic advanced models in supporting the army as Zhao Chenni and Ma Yaozhi, who bravely accepted difficulties for the sake of army building and defending the motherland, have greatly inspired the cadres and fighters of the units. Such combat heroes as Yang Chaofen and Yan Long, who gave their young lives in defense of the frontier of the motherland, have filled the masses with a sense of incomparable pride. The army supporting the government and cherishing the people, the locality supporting the army dependents and the strong unity between the army and people have been a source of strength in the past and will still be a source of strength in the future. We must carefully treasure this kind of unity, use various practical actions to strengthen it and build a strong wall of steel which will strike fear into the hearts of the enemies and give the people peace of mind.

The war against aggression of the future will be a people's war under modern conditions. Comrade Mao Zedong's great thinking on people's war will still be an important magic weapon of ours for vanquishing the enemy. In the war of the future, the militia will still have a vital indispensable position as well as role. In carrying out better troops and simpler administration, the army should appropriately further strengthen militia work and properly carry out the reserve service system and the mobilization system. If militia building is properly grasped, the army will have a strong backbone force and will be able to drown the invading enemy in the ocean of a people's war.

As early as in 1950, Comrade Mao Zedong said to the representatives of combat heroes and labor models of the whole country: "China must build a powerful national defense army and a powerful economic force. These are the two major things. The success of these two things depends on the comrades, together with all the commanders and fighters of the PLA as well as the workers, peasants and other people throughout the country uniting as one and working in cooperation." Today, if the army and people of the whole country mobilize themselves and bring their initiative and creativity into play under the leadership of the party, the grand task of developing the national economy, the task of strengthening national defense and various other tasks can all be successfully fulfilled.

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CORRECTLY UNDERSTAND OUR COUNTRY'S INDEPENDENT FOREIGN POLICY

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[Article by Qi Wen [7871 2429]]

[Text] In his report to the 12th CPC National Congress, Comrade Hu Yaobang systematically elaborated our country's independent foreign policy. The CPC Constitution adopted by the congress also expounded the fundamental stand of the CPC in international affairs. Consistently adhering to the five principles of peaceful coexistence, China will continue to develop its relations with foreign countries, unswervingly strengthen its unity with Third World countries, ally itself with all the forces that can be allied with and struggle to oppose imperialism, hegemony and colonialism, safeguard world peace and promote the progress and striving of mankind.

I

For every country in the world today, the question of what foreign policy to carry out is of prime importance. Nearly 150 years ago, Marx and Engels pointed out, in "The Manifesto of the Communist Party": "Production and consumption in all countries have assumed cosmopolitan characteristics...in place of the old local and national seclusion and self-sufficiency, we have comings and goings between all peoples and places and mutual interdependence on all sides. As in material, so also is the case in intellectual production." This quotation tells us how the world became a complete entity as soon as capitalism took shape and every country became, willingly or unwillingly, an inseparable part of this world. It was in this course of capitalism's expansion throughout the world that backward and feudal China was forced to open its door and be involved in the process of the whole world's development. This is a process which cannot be resisted and which can also be extraordinarily painful. From the mid-19th century onward, China deteriorated from being a great country with an ancient civilization into a semicolony.

For fully 109 years, from the Opium War to the founding of the PRC, China, through being forced to engage in intercourse with foreign countries and playing the role of being bullied, oppressed and trampled upon, had no independent foreign policy of its own. This long and miserable experience did not end until the Chinese people, under the leadership of the CPC, defeated all agents of imperialism and founded the PRC in 1949. One of the most valuable achievements of the Chinese revolution was the recovery of China's national independence. The Chinese people, from being bullied and oppressed, now turned into a nation able to control its own destiny, take the initiative in pushing ahead with the world's development and make its own contributions to mankind. This really was an earth-shaking change.

It is not easy for an oppressed nation to recover its independence. It is not easy either to implement a completely independent foreign policy after recovering independence. Since imperialism and hegemony are still at large in the world and constantly exert pressure on those countries which have newly recovered independence, the implementation of an independent foreign policy is in itself a course of struggle.

II

In his opening address given to the 12th CPC National Congress, Comrade Deng Xiaoping pointed out: "While we Chinese people value our friendship and cooperation with other countries and peoples, we value even more our hard-won independence and sovereign rights. No foreign country can expect China to be its vassal, nor can it expect China to swallow any bitter fruit harmful to China's interests." This is a concise summary of our country's foreign policy, which embodies the spirit of independence and sovereign rights.

Independence and sovereign rights are completely consistent with internationalism. As a socialist country led by the CPC, the PRC believes that all nations in the world will, sooner or later, take the socialist and communist path; that only through the ultimate liberation of mankind can the proletariat of every country attain its own liberation; and that only through the general development of the whole world can every nation attain its own goal. In the final analysis, the interests of all nations entirely coincide. We cherish our nation's interests, and respect other nations' interests as well. For this reason Comrade Hu Yaobang pointed out in his report: "Integration of patriotism with internationalism has always been our basic point of departure in handling our external relations."

As everyone knows, different classes have different points of view on "national interest." The difference between proletarian internationalism and bourgeois nationalism lies in the latter seeking only a nation's selfish interests while the former always considers a nation's own interests and mankind's interests as a whole. As their points of departure are different, their practices are naturally different.

In implementing bourgeois nationalist foreign policy there are two situations and two guiding principles. 1) In the situation of weak national power, if the nation does not depend on a certain powerful country or bloc, it thinks itself clever and plays the "card game" of international politics. The treacherous diplomacy of the rulers of old China was a shame, and the trick of "setting the barbarians against the barbarians" which they played was nothing more than a standing joke. 2) In the situation where a state is strong, the bourgeois nationalists of the state can become chauvinist and expansionist, or even imperialist and hegemonist. As a result, they infringe upon other nations' interests, and in turn make their own nation the object of resentment and resistance in the eyes of other nations. Finally, they will be isolated in the world and thus bring disaster to their own nation. Many countries took this road in the past and some countries are still following this old road today.

Old China was for a long time a weak, enormous country. Accordingly, when our people won the victory of revolution, we summed up our own and other people's experience in these two situations, upheld our own stand which embodies the integration of patriotism and internationalism and persistently oppose bourgeois nationalism.

On the eve of the birth of the PRC, Comrade Mao Zedong declared, with dauntless proletarian revolutionary spirit: "China must be independent and China must be liberated. The Chinese people want to handle China's affairs on their own and can tolerate no intervention by any imperialist country. ...No matter how the latter may continue to oppose the Chinese people, we Chinese people will always be able to find a way to win the final victory." Soon after the founding of the republic, Comrade Mao Zedong again taught us to "resolutely, thoroughly, wholly and completely wipe out great nation chauvinism." Later, in view of the harm brought to the people of the world by the superpowers' hegemonism, Comrade Mao Zedong declared again that we would never be a superpower and seek hegemony.

It is in the above two aspects that China's foreign policy, which is formulated under the guidance of Marxism-Leninism-Mao Zedong Thought, has drawn a demarcation line between itself and bourgeois nationalism. At the First Session of the First National People's Congress, Comrade Mao Zedong also definitely pointed out: "Our general task is to unite the whole people and win the support of all our friends abroad in the struggle to build a great socialist country, defend world peace and advance the cause of human progress."

Here, he meant that we must try to obtain aid from others as well as provide aid for others and defend our national interests as well as fulfill our international obligations. In fact, in the last 30 years or more, we have successfully withstood all the pressure imposed on us by imperialism and hegemonism. In the Korean war and the Vietnam war, we also courageously made national sacrifices in the struggle to save world peace. As to other Third World countries which are engaged in the struggle for political and economic independence, we never hesitate to provide aid. Many examples are available to support our claim that we are by no means parochial nationalists but are, rather, unwavering internationalists.

Marxism-Leninism not only encompasses the proletariat's world outlook but also their struggle strategies and policies. Because we have always kept in mind the overall world situation when handling foreign relations, we have been able to, in the light of the basic situation of each historical stage, stipulate our struggling tasks for the specific stage, clearly analyze the relationship between our enemies, our friends and ourselves, distinguish friends from enemies, major enemies from minor enemies, and direct allies from indirect allies, and thus correctly estimate our force in opposition to that of our enemies, and work out correct strategies to provide a concrete base for implementing foreign policy. Therefore, our foreign policy has shown a valuable steadfastness and continuity.

International affairs are extremely complicated. Some unexpected thing may emerge at any moment to bring about unexpected turmoil. Because of our scientific world outlook and a long-term strategy, we have been able to integrate our firm principles with feasible measures. We have been able to be free from the influence and control of chance occurrences, and we have never been dictated to or deceived by our momentary emotional reaction. As Lenin remarked, accommodating oneself to temporary situations means practicing opportunism. We have never practiced opportunism but have consistently advanced toward our goal.

In the light of the above-mentioned characteristics, we can say that we are implementing a completely and genuinely independent foreign policy. Our foreign policy enjoys a high prestige and has won for China an honorable image in the international arena.

III

The five principles of "mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence" have consistently guided China in its efforts to develop relations with all other countries in the world.

In April 1954, the newly independent China and India initiated these five principles in the "agreement concerning trade and transport between China's Xizang and India." In June of the same year, when Premier Zhou Enlai was visiting India, he and Indian Prime Minister Jawaharlal Nehru incorporated these principles in the Sino-Indian joint communique. These five principles show that we treasure our hard-won independence, respect other countries' independence and resolutely oppose aggression against the independence and sovereignty of all countries. The five principles also demonstrate correctly the position of a great majority of countries, particularly of the newly independent countries in the world of today. Precisely because of this, the ideas of the five principles have met with a wide response over the past 30 years. In many bilateral treaties and agreements, and in many international documents and manifestoes, similar wording to the five principles has been used to express the ideas of mutual respect for sovereignty and territorial integrity, mutual nonaggression, and noninterference in each other's internal affairs. A good example can be seen in the 10 principles set forth in the final manifesto of the Afro-Asian conference held in Bandung, Indonesia in 1955.

It can be said that today the five principles have found deep resonance in the hearts of the people of the world and have become a universal norm in guiding relations between states. The norm of violence is often repudiated by public opinion. The five principles have already replaced the imperialist logic of "might is right" which ran rampant in international life before World War II. In the international life of today, if we say that due to the existence of hegemonism the five principles are still not able to be implemented thoroughly, we can say nevertheless that these principles have at least become a powerful force of morality and justice and have become undeniable legal principles in international law. This is an important progression in the international relations of the present age.

With regard to international relations in general, our five principles are suitable for all countries. Some people say Lenin advanced the principle of peaceful coexistence to guide relations between socialist countries and nonsocialist countries. For this reason, this principle is not applicable to the relations between socialist countries. In fact, at the time when Lenin proposed peaceful coexistence, there was only one socialist country in the world. However, historical experience gained since the emergence of other socialist countries in the world, shows that relations between socialist countries should also be built on the basis of the five principles. Of course, socialist countries enjoy similar social systems. In theory, they all take Marxism-Leninism as their common faith and, in practice, they take proletarian internationalism as their universal standard, so there should be more extensive cooperation and closer relationship between them. However, the prerequisite to such a relationship must be strict adherence to the five principles. Meanwhile, socialist countries must play an exemplary role in implementing the five principles. Just as Lenin said: "If the proletariat allows its nation to practice even the slightest violence against other nations, then it is not a socialist proletariat."

With respect to bilateral relations, our five principles do not repel any country. China is willing to establish and develop normal diplomatic relations with any country if it can follow the five principles not only in word but also in deed. Naturally, it is hard to avoid contradictions between countries. Precisely due to such contradictions, it is necessary to find reasonable solutions to them through application of the five principles so that relations between countries can continue to develop normally. As for those hegemonist countries which disregard China's sovereignty and attempt to force China to be subject to their interests, we cannot but wage a resolute struggle against them until they recognize that China's sovereignty brooks no violence and its security brooks no threat. Then, we will develop our normal relations with them on the basis of the five principles. But this must not, to the slightest degree, hamper our free initiative of opposing their policy of seeking hegemony over other countries. The course of carrying out the five principles is also the course of measuring strength against the hegemonists. Upholding peaceful coexistence and fighting against hegemony are two aspects of the same thing.

IV

What force in the world today is threatening the independence of various countries and world peace? First and foremost, it is the hegemonism pursued by the superpowers.

As is well known, through two world wars, particularly after the victory of the Chinese revolution, the old colonial system of imperialism fell apart with the independance of many colonial and semicolonial countries. But, its remnants are still to be found. In addition, the superpowers seeking hegemony have taken the place of the old imperialists, constituting a new menace to the peoples of all countries of the world. Each of them is now operating its war machine with enormous military expenditure on a scale unprecedented in peacetime in human history.

They are irreconcilably rivaling with each other in almost all regions of the world. They are interfering in other countries' internal affairs by every means possible, even resorting to military force. They are occupying the territory of other countries through their agents, or even directly dispatching their troops. Through their eyes, they see only their strategic interest and do not see the interests of other nations at all. After World War II, regional wars have not ceased on the earth. Until now there are still many "hot spots," such as the Soviet aggressive war in Afghanistan, Vietnam's aggressive war in Kampuchea, the war of the Israeli invaders against the Palestinian and Arab peoples and the war against African people in South Africa. All these wars were hatched up, supported and instigated by the superpowers, or they are taking part in them themselves. The rivalry between them has become a main source of turbulence and disturbance in the world today.

The Chinese people share a common wish with the people of all other countries in the world, a wish to build their own countries in peaceful world surroundings. In order to seek peace and progress and to build their countries, the people of the world have to fight against hegemonism in the face of the war menace of the superpowers seeking hegemony. To this end, our strategic principle in international affairs is to cement unity with the proletariat, the oppressed nations and people of the world and to unite all peace-loving and justice-upholding forces in the world in a joint effort to oppose imperialism, hegemonism and colonialism, safeguard world peace and promote human progress.

In the struggle to oppose imperialism, hegemonism and colonialism, the Third World is playing a very important role. This is because the countries of the Third World, including China, suffered the most cruel exploitation and oppression at the hands of imperialists and colonialists in history and today they are also the main victims of hegemonism. Therefore, they are the most staunch fighters in the struggle against imperialism, hegemonism and colonialism. The rise of the Third World is a major sign of the great changes in the world situation today. The number of people in the countries of the Third World constitutes three-quarters of the world's population. Divorced from the vast Third World, international justice and human progress would be meaningless. More than 100 countries in the Third World spread to every corner of the world, covering over two-thirds of the earth's surface. They are the main force in the struggle against hegemonism because they can curb and tie up the major forces of the hegemonist superpowers and can foil their war schemes.

In accordance with Lenin's theory that imperialism divides nations in the world into the oppressors and the oppressed, and that the international proletariat must fight together with the oppressed nations, and in accordance with his call for unity between the international proletariat and the oppressed nations, we must attach importance to the unity of people of the various countries in the Third World.

Some people look down on the countries in the Third World because most of them today are comparatively backward in economy and weak in military strength. Such people also hold that the Third World can hardly play a big role in international affairs. But, if we look at this problem with an eye on the course of its development, we say such views are groundless. As a matter of fact, the Third World has become a gigantic progressive force in the world after the former colonies and semicolonies achieved independence one after another. It has changed and is still profoundly changing the look of the world. The situation in which only a few powers control the destiny of the world is gone forever. For years the United Nations was a place where the big powers were tampering with the voting machine. Now, it has turned into a place where all kinds of hegemonism are repudiated or are put on trial. In this world organization and on other international rostrums, many just resolutions are passed with the support or sponsorship of the Third World.

For example, the struggle launched by Latin American countries to oppose the superpowers' domination over oceans, and the struggle waged by oil export countries and other raw materials-producing countries for a sovereign right over their own natural resources have all achieved great success. Are all these not facts which many people could not imagine in the past and also cannot negate now? In opposing power politics and bloc politics, the nonaligned movement, which comprises many Third World countries, has dealt a heavy blow at the hegemonism of the superpowers. The movement for establishing a new international economic order is now, with the participation of many countries of the Third World, pounding at the present international economic order which is unequal and unfair. This is a movement of great strategic significance. Although there is no demand for forming a united front among countries of the Third World, nevertheless, they have identical views and take concerted action in the struggle. This has converged into a mighty torrent, giving an impetus to the development of international relations toward equality and democracy. The development of human history is complex and zigzags, but newly emerging things always conquer huge monsters which consider themselves unbettered in the world. Now we can see that the relatively poor Third World is precisely just such a promising new force.

Apart from wishing constantly strengthening unity with Third World and other countries, China also needs to unite with all forces which can be united with regardless of whether they are governmental or popular, as long as their struggle is helpful to the cause of opposing hegemony and safeguarding world peace.

As everyone knows, the PRC established diplomatic relations with many developed capitalist countries in Western and northern Europe just after its founding. We have maintained and developed good economic and cultural relations with these countries for many years. In the last 10 years, we established friendly relations with Japan and more Western countries. Generally speaking, these relations are beneficial to both sides and have already yielded positive results. We really value these relations and will continue to try our best to strengthen them on the basis of the five principles. To be sure, there exist contradictions between these developed capitalist countries and the Third World countries. However, the former are also facing war menace and suffering from the intervention, control and oppression exercised by the superpowers. Therefore, it is not only necessary but also possible for us to unite with them under certain conditions.

People all over the world are now carrying out peace campaigns of various types in the face of an increasingly serious menace of nuclear war. Although the composition of the members engaged in these campaigns, as well as their motives, are not completely identical, we always support them as long as they are really advantageous to the struggle to oppose hegemony and defend world peace.

We oppose the hegemonist moves and war policy of the superpowers. Nevertheless, we always cherish deep feelings toward the broad masses of the people of these countries, and try our best to intensify our friendly ties with them.

For a long time, we have emphasized the existence of a serious war threat. This is by no means alarmist talk but an inevitable trend which results from the scramble for hegemony between the superpowers. Many facts in the last 30-odd years since the end of World War II have shown that the superpowers have never stopped trying to launch a world war, only to be checked by the people's force time and time again. As long as the Third World countries and all peace-loving forces in the world can really unite together and are ready at all times to struggle resolutely against the plans of hegemonists, it is possible to continue to maintain a peaceful situation in the world.

As a socialist Third World country, China is dutybound to engage in this struggle. We will strive to preserve a peaceful international environment for the magnificent cause of socialist modernization of China, and make our contributions to the independence and security of the peoples of all countries and the progress of mankind.

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EXCERPTS FROM SPEECHES MADE AT FORUM ON STUDYING THE 12TH CPC CONGRESS DOCUMENTS

Beijing RED FLAG in Chinese No 21, 1 Nov 82 pp 29-36

[Text] Wang Meng [3769 5536]: "Raise the Ideological Level of Literary and Artistic Works and of Writers and Artists"

Both literature and art are extremely important parts of a lively civilization. By looking at literature and art, we are able to see the condition of the society itself, the extent of education and the level of culture. At the same time, literature and art influence both society and man's spiritual world.

Construction of a high degree of socialist civilization demands a great development of the causes of literature and art. Four years of practical experience amply illustrate that the correct policies and directives issued by the third plenary session of the party Central Committee guiding literary and artistic work, have established a fundamental insurance for the development of a new stage in literature and art in China.

Here I would like to bring up several important points:

1. We must raise the ideological level of artistic and literary works and offer the masses healthy and ever improving works of art and literature. The lofty ideals and great practical experience of communism have imbued into our art and literature a hopeful and ever onward struggling spiritual force, and it is this which is one of the fundamental characteristics of socialist literature. Despite the number of difficulties and obstacles to overcome, we will remain confident in the destiny of our people and the future of our homeland. Of course, we cannot simply shut our eyes at will to all the problems, suffering and pain which exist in our lives, and our art and literature should try to avoid contradictions and should not use falsities, exaggerations, etc. in an effort to deceive everyone. Similarly, we cannot turn a blind eye to the progress and victories in our lives nor the heroism and creative spirit of the people. We must make sure that we reflect freshness in life and communist values in practical day-to-day living. Of greater importance is to avoid writing about problems merely for the sake of creating problems, or writing about pain for the sake of pain. We must set out to overcome and destroy such pain and problems.

Thus, a piece of work which concentrates on the judgment of something awful should follow the judgment with awe-inspiring righteousness and be written in a scientific manner; it should not be a way of expressing one's own personal conceit or denying general pride and propagating feelings of despair. In describing villains, our aim is to enliven the readers' vigilance and alertness and rejection of such concepts and thus gradually allow everyone to become a little better and a little more likable and not the opposite. It is not difficult to rely on the tears of discontent and complaint to influence some naive readers. Such an attitude is both blind, cheap and irresponsible. Our literature and art should call on the spiritual strength of the people, on the ideals of communism and on the historical and social sense of responsibility of the people, thereby admonishing and denouncing the more mediocre and sordid who display cynicism, apathy and hopelessness. Every piece of writing and every work of art should display light and warmth, even only to an extent similar to that of a matchstick, so that when this light and warmth are added to that of other pieces of literature and art, the fused body will be much easier to see.

2. We must raise the taste and interest of both the writers, artists and the masses who read or appreciate literature and art. Taste is also an expression of spiritual civilization. A piece of literature or art must have taste, but there are different levels of taste. Since the onslaught of such distasteful pieces as "looking toward money" and "merchandization," there has been a fairly serious appearance in print and circulation of books of very low taste. Some publishing houses even publish works displaying feelings of despair, which are held in contempt by academics in the Western world. Some pieces of literature, under the guise of criticizing, actually make use of and peddle poor and low taste. Such things run counter to our tasks of building a socialist spiritual civilization. Artists and writers must not forget that our mission is to climb to the pinnacle of socialist spiritual civilization and, under the direction of communist ideology, we want to critically carry on and pass down the most outstanding riches and artistic treasures and show our disdain for cursory and quickly put together low-grade work, struggling to combat poor taste and to produce beautiful works of art and pieces of literature of the greatest historical level and of utmost richness and talent.

3. In constructing a socialist spiritual civilization, we must train and bring up many new members of the socialist society, and we must start with ourselves. Because of the very nature of literary and artistic work, it is sometimes very easy to become an overnight success and sometimes it is very easy for us to become self-conceited and self-satisfied as a result, thereby cutting ourselves off from the masses and feeling that we are not bound by the spheres of socialist morals and even adopt a supercilious attitude. This is extremely dangerous. In the past, people such as this and their behavior resulted in writers and artists in general dropping in the esteem of the masses, and sometimes even resulting in great disgust from frontline comrades. We cannot be too cautious about the appearance of such phenomena and must be always on our guard against it.

Wu Zuqiang [0702 4371 1730]: "Grasp the Building of Socialist Spiritual Civilization With the Same Vigor and Determination as in Grasping the Building of Material Civilization"

In the great announcement by the party Central Committee referred to as "all-round development of a new phase in socialist modernized construction," it was made very clear that our great task of constructing a high level of socialist spiritual civilization should take communist ideology as its central theme and the tactical significance of this in achieving socialist modernized construction. China's artists and writers, and those in the party, in particular carry a great responsibility toward the construction of a socialist spiritual civilization. My metier is music and I feel that all those involved in music and composition should study hard the writings of the party and the government and consider in detail how best we can carry out our duties within the spheres of our work, thereby fulfilling our work responsibilities.

On the musical front, we are faced with some extremely hard tasks. We must continue our work to eradicate the negative results of the 10 years of social chaos and disorder and take care to prevent and overcome any ideological disarray in literature and musical bastardization which might arise from China's open door policy. We must correctly implement the literary policies of the party and overcome sways to the "left" and right which have appeared during many years of party policy implementation. Of even greater help is to initiate and activate among musicians enthusiasm for socialist construction and for the masses and strive to satisfy the multitude of musical demands of the masses, thereby continuously raising the level of musical enjoyment of the entire population. The completion of these few tasks all require our deepest study of and work on the contents of the 12th national congress report so that we may raise our consciousness and strive for the preservation of ideological and political harmony with the party.

The construction of material civilization requires planning, capital and the expenditure of energy. The construction of socialist spiritual civilization also requires us to carry out effective but arduous work; otherwise, the appeal will be in word only and not in deed. Here I have three points I would like to make:

1. We must strive to correct certain mistaken attitudes in the party, attitudes which have existed for a long period of time and over a wide spectrum and which lead to little attention being given to education in the sciences and arts and discrimination against intellectuals. Here the party Central Committee has done great work and has achieved significant results. But, to eliminate the influence of mistaken "leftist" ideology in this area, we must all unite in understanding and carrying out our work. Some people still feel that it is possible to create a spiritual civilization without culture and even go so far as to publicly propagate and spread such mistaken thinking. In the spirit of the 12th national congress, we must strengthen cultural development, implement the policies on intellectuals and recognize how this is closely related to the success or failure

of constructing a socialist spiritual civilization and thereby ensure that every policy and principle related to this cause is fully and effectively implemented.

2. The arts, including music, are an extremely important and significant part of spiritual civilization, which has its own idiosyncrasies. Hence, we should implement the policy of "letting one hundred flowers bloom, let one hundred schools of thought contend." In relation to this question, we already have ample experiences, both positive and negative and we should not again make the mistake of "leftist" and rightist swinging. The kind of arts we are advocating are socialist arts with communist ideology as the nucleus. We must trust in our art in order to be able to resist, with strength, the corrosion of the poisonous facets of bourgeois arts. We should, of course, remain alert to the erroneous belief of "freedom" of the bourgeois classes. But we should not prevent the active implementation of the "hundred flowers" policy for the sake of such relatively small risks.

3. We should increase by a relatively large amount of the proportion of funds allocated by the state for scientific and cultural education so that the construction of a socialist spiritual civilization may obtain the material support it requires. The serious problems of wastage within economic construction illustrate that such moves are by no means out of the question. We must, without a doubt, quickly increase the attention paid to "intellectual investments."

The party Central Committee has now officially announced two construction programs for civilization, and now we must tackle the building of spiritual civilization with the same vigor and determination as in tackling the building of material civilization. A high level of socialist spiritual civilization will automatically motivate further development in material civilization. If we can come to understand this dialectical methodology and strive to bring together the construction work for both these kinds of civilization, then we will be able to establish a new all-round phase for socialist modernized construction. Come, let us musicians join together with the masses throughout China, inspired by the spirit of the 12th national congress, and courageously march forward!

Liu Shaotang [0491 4801 2768]: "Build Socialist Literature With Communist Thinking as Its Core"

In his report to the 12th CPC National Congress, Comrade Hu Yaobang pointed out that "our educational work in the areas of science and culture is just getting onto the right track and is now developing considerably and now presents an admirable scene." This estimation is entirely in keeping with the present scene of Chinese literature and art.

In the 3d Plenary Session of the 11th CPC Central Committee, many leftist errors in the area of the art and literature dating back several years were put right. The party Central Committee considers literature and art as extremely important and thus carried out many close discussions with writers and artists from the art world, proposing many excellent suggestions related to art and literature and thereby motivating the creative enthusiasm of young and old writers alike. At the time when the artistic and literary world produced such bourgeois mistakes as "freedom" of expression which totally went against the four basic principles of communism, the party Central Committee immediately called an ideological work symposium and after exhaustive guidance, finally came up with an accurate criticism by searching the facts for the truth of the matter. It was only because of the party's strict adherence to the struggle on two fronts that socialist art and literature were able to continue on the right track and show excellent initial progress.

In reviewing the last few years of development in socialist arts, we can come to realize with even greater clarity the necessity for writers and artists to preserve ideological and political unity with the party. Socialist arts are an important part of socialist spiritual civilization. Thus, our writers and artists should be the conscious builders of socialist spiritual civilization.

Cultural construction must be completely carried out under the guiding principles of the 12th national congress and must develop under the ideological guidance of communism. Our writers and artists must play activating roles in the construction of material civilization and thus raise the ideological consciousness and level of morality in the masses, gradually developing more and more members of the socialist society into morally and culturally aware workers with strict discipline who may contribute greatly to society. Writers should use their works as a fresh and encouraging new phase for the establishment of socialist modernized construction and not allow negatively directed works to depress the reader and poison the atmosphere. Of course, literature should still make use of the bad and evil things in life, but the purpose of using such things should be to castigate them so that readers may gain some enlightenment from reading such things and be encouraged to actively strive for improvement.

Writers who are members of the Communist Party should take the leading role here. And this thus necessarily demands of us that we first improve our knowledge and understanding, strengthen our party allegiance and strictly follow the direction and policies laid down by the 12th national congress and thereby become a leading part of the creation of a new phase in socialist literature and art.

China's modernized construction must be planned and carried out on the basis of China's actual and objective situation. Thus, our literary creators must also work in the realities of China's present situation. China's revolutionary literature has produced vast and valuable historical experiences and has thus established our own theoretical system. We must cherish the achievements we have gained after so many years of struggle and then pass on and develop our revolutionary tradition. We must remember the importance of studying and borrowing from overseas literature and related experiences but we must not duplicate word for word the style and format of foreign literature. We must remain alert and continue to resist the corrosive influence of degenerate and decadent foreign literature.

Socialist literature and art must adopt plentiful and lively means to express and propagate socialist spiritual civilization with communism as its nucleus, and yet should not be too sermon-like or obviously graphic. Writers and artists should involve themselves in the very heart of everyday life, mixing with the masses and jumping out of the restrictive circle of self-expression. This is the fundamental path to raising the ideological consciousness and artistic level of the writer and artist so that they may establish a new phase in socialist literature and art.

Chen Guangzhong [7115 0342 1813]: "Films Should Aim at Fostering the Good-heartedness of the People"

Youths are the driving force behind the establishment of a new period in time, and the cinema is a key to opening the window of their hearts. Recently, there have been investigations into the situation of youths and their ideological attitudes in the factories, with questionnaires for young people being handed out. In response to the question "What do you like doing most of all?" 98 percent of the young people responded by saying that they liked films most of all. It is clear that the cinema is one of the forms of art which can relate most intimately with the masses, and in the case of young people it is an extremely attractive concept. The cinema exerts a very subtle influence on youths, in terms of ideological enlightenment and the edification and fostering of morals and aspirations. China's cinema must propagate communism but it should not adopt methods of vacant preaching. Instead, it should make use of varied and rich forms of art, with a lively and active style, to educate the youth of today. And indeed, we have a saying: "Facts speak louder than words." Thus, the characteristic of newsreel films is the portrayal of upright real people and real events which allow the young people to actually see the qualities of communism in our everyday lives. The use of moving events and stories tells the viewer that communism is not a hollow promise but that it actually exists all around us today, that those people twinkling with the shining light of communist thinking are not gods but that they exist and live among us and are the models for us to emulate.

Our teaching should make the young people of today try to overcome their own shortcomings with enthusiasm, patience, discipline and sobriety. We must make sure that we light the fires of their ideology so that we may bring together the disordered and decentralized faculae of youth to create those powerful beams of light which work toward the development of China, creating enormous energy. Thus, in our penetration into everyday life we must broaden, enrich and multiply the themes we use, we must analyze people's hearts with greater thoroughness and, in particular, we must eulogize those new people and new ideologies which are establishing a new phase in time. With the party line, we must accurately reflect the contradictions which appear in this new era. The establishment and development of this new era will not come about through smiles, fresh flowers and merry expression, but requires arduous work and tortuous struggle. In life there is both beauty and ugliness, both light and darkness. As we show new men of communism through the exposure of contradictions, the youth who are watching will feel doubly close to them and will attain a sense of respect and a need to study and emulate.

Our studios recently finished a documentary called "The Glorious Call," which involves an evaluation of the facts of everyday life so that youth viewers would be able to discern that which is truly glorious and beautiful and where it may be sought. Young people love and respect beauty. Thus, this film uses the spirit of communism to move toward beauty, to seek out beauty and to create beauty! I, a humble pawn in the field of cinematic news reporting, offer with sincerity and ardor, this tribute of spiritual nourishment of everyone, in particular our younger friends.

Yu Shuzhen [0060 3219 3791]: "Actors Should Pay Attention to the Social Effects of Their Performances"

The party, in defining the construction of a socialist spiritual civilization as the battle line in the 12th national congress, has meant that every party member, every revolutionary must come to understand his or her own duties and responsibilities in creating this socialist spiritual civilization. I am both a Communist Party member and an actor and I am determined to work from the very bottom of my heart.

Actors serve the people through their own performing skills. A song or a dance should never be belittled, for merely by jumping onto a stage and performing it one can influence the entire audience. Thus, every actor and actress should think about the social effects of his or her acting.

Just after liberation and the founding of the PRC, the party mood and the feeling of society was extremely good. The 10 years of social disorder brought chaos to people's ways of thinking and also caused tremendous damage to the party mood and the general atmosphere in society, while the damage done to the spirit of the young people which had been built up until then, was extensive. Since the implementation of our open door foreign policy, some of our young people have fallen under the influence of unhealthy foreign music. Since the third plenary session and, more importantly, since the symposium concerning problems of ideological front lines, we have been fighting against the "freedom movement" of the bourgeois classes and resisting the corrosive effect of bourgeois thinking, with the result that the situation has improved somewhat. However, there are still a number of young people who are still very keen on this decadent music. I feel that we must actively educate and guide these young people and that there should be no compromise. In particular, there should be no pandering to bad taste merely for the sake of "box office value." In August of this year, our troupe visited a certain town for performances. Before our visit, there had been many performances of programs with very little artistic value. Consequently, we decided to perform pieces with healthy content and not in keeping with the tastes of a small minority. Thus, they did not enjoy the performance and began to make trouble. However, we had the support of the vast majority of the audience and thus the healthy trends prevailed over the evil ones. Later, we traveled to Shenzhen for a performance. Before we gave our performance, some people suggested that we sing and perform some popular songs from Hong Kong and Macao. This we did not do. Instead, we continued to perform our orthodox songs. There were no catcalls and no derisory laughter, and the effect was very good.

Afterward, many young people in the audience said that they had not realized that China had such good music as that! This clearly illustrates how the audience was able to distinguish between the beautiful and the ugly.

Young people represent the morning sun; they have high spirits and are able to accept new things very quickly. However, their world views have not yet solidified and become firm and thus they find it easy to imbibe advanced and progressive things as well as corrupt and backward things. As a performing artist who is also a party member, I want very much to make use of healthy, progressive and pure things to mold their moral character, nurture a healthy interest and steer them actively onward and upward in order to create a socialist spiritual civilization.

Actors and performers should not only take care of the social effects they are producing while on stage, they should also remember the social influence created by their own behavior in general. The party Central Committee announced that art should serve the people and socialism. Thus, we should think about the needs of the people and socialism. I am a singer of folk songs and on average, I receive about 10 letters a day, of which about 6 or 7 come from the countryside. These letters are of great help to me and they immediately make me think of those who have written them and the countryside where they live. Under the influence of "looking toward money" and its ideology, some people have disregarded the social influence and in seeking fame and fortune, have begun singing decadent songs. In doing so, they have transgressed the ideal that the arts should serve the people and socialism.

In his report to the 12th national congress, Comrade Hu Yaobang said: In the next 5 years, we want to see a fundamental turn for the better in the party and society's mood and atmosphere. In order to achieve this, everyone must work together with mutual cooperation and our performing artists must constantly remember their task and must begin from within themselves.

Jiang Kun [1203 2492]: "Bring Healthy Literature and Art to the People"

In the wake of the important tasks outlined at the 12th CPC National Congress for the construction of a socialist spiritual civilization and as a young writer, I feel that the burden on me is by no means light!

Comic dialogue is a style of literature enjoyed by both men and women and young and old, suitable for both refined and popular tastes. One take lasts less than an hour and, by means of TV and radio, it is instantly transported into every household and every corner of the country. Because comic dialogue has these traits and advantages, our task and responsibilities are even greater. What should we bring the people? How can we help people relax after work and have the benefit of extremely interesting and arresting enjoyment? These are important questions for us comic dialogue writers and performers.

Comic dialogue is, by nature, very popular and widespread. Thus, we should try to improve the ideological and artistic value of the performances and not simply perform comic gags in order to cater to the needs of a small minority with poor taste, nor simply to try to get cheap laughs. In recent years, audiences and critics have criticized some negative trends in our productions of comic dialogue and we should be aware of this.

The establishment of a socialist spiritual civilization demands that more and more literary and performing pieces be of a high level in terms of style and quality, and this spurs us on to search ceaselessly and more deeply for new creative material and themes. Here, one of the most recent examples was a great inspiration for us. During the 12th national congress, I and a Comrade Li Wenhua were making changes and improvements to a piece called "Time and Spring" written by an amateur writer. The effects of the performance exceeded our expectations. Why was this piece, which lacked comedy, received so well? The reason was because the piece explained that young people should cherish time and should not waste their youth or spring. Today, young people generally feel that there is never enough time to do everything, while older people also wish that youngsters would appreciate time more. Thus, this piece expressed all these feelings. After the performance of this piece, I asked myself what is it that we should propagate most at the moment, and what is it that we should write about most at the moment. I feel that the most fundamental thing is to make full use of the characteristics of comic dialogue to reflect the pulse of our times, to propagate communist ideology. The 12th national congress pointed out that the masses and the cadres must unite their strength and struggle for the glorious goals we must achieve before the end of this century. But some people still display a certain "vagueness and uncertainty about communism." Hence, we must rightly spread the word of communism so that people may come to truly understand it.

In order to propagate the most advanced ideology in the world, our performers of comic dialogue must be extremely strict with themselves. First, they must arm themselves with communist ideology and, at the same time, must constantly try to improve themselves artistically. Thus, they should ensure that they articulate with purity and do not allow filth and dirt to drift into their speeches, thereby creating linguistic pollution. They should avoid sarcasm and vulgar forms of presentation. Thus, in general they should give rein to the educational role of comic dialogue with a high degree of ideological and artistic authenticity, so that through their laughter the audience is molded to possess a high degree of moral values so that they may seek truth and beauty and despise and abhor ugliness and evil. Of course, this is easier said than done. But with study, refinement and endeavor we can undoubtedly raise the standards of comic dialogue.

Chen Haosu [7115 8504 5685]: "The Glorious Mission of the CYL"

The CYL has a glorious mission in the establishment of a socialist spiritual civilization.

Communist ideology forms the nucleus of socialist spiritual civilization. The CYL is a school where the youth of China can learn the practical side of communism. In historical terms, several generations of true communist fighters have always grown out of the ranks of the CYL, and among them are some of the glorious pioneers of China's communist movement. Some are the old generation of revolutionaries who, in the intervening years, have jumped to position of leadership of the country within the party and, of course, even more of them are frontline cadres and activists who fought in all the revolutionary struggles and socialist upsurges. Today, the CYL shows the way for China's youth to throw itself completely into the practical program for the four modernizations, to study Marxism-Leninism-Mao Zedong Thought as well as modern sciences and culture so that they may become a new generation of people full of ideals, morals, culture and discipline who may exert greater and greater influence in helping the party foster and nurture a new generation of communist fighters.

The CYL must play a penetrating and forceful role in the establishment of a socialist spiritual civilization, and this role should include both the construction of culture and ideology. The CYL should earnestly support and promote the development of all cultural causes, such as education, the sciences, art and literature and sports, and should activate young people to delve into the realms of knowledge, encouraging them to study culture, science and technology. The CYL must organize and help young people to study on their own and achieve results. We should take note of the guiding words of Lenin, who said that one can only become a communist by using the entire treasure house of knowledge created by man to enrich one's own head.

The CYL is a well-developed youth organization carrying the flag of communism. For this reason, the CYL must preserve its communist purity. We must recognize that in some young people the poison of the Cultural Revolution's anarchy and out-and-out egoism has still not been flushed out and, in addition to this, some still suffer under the influence of foreign bourgeois thinking. In order to improve young people's strength to resist such things and to help them develop a communist world view, we must build a line of defense into their ideology. Thus, we must teach every CYL member to make demands on him or herself for the sake of the principles of communism and to absorb more and more young people within his or her sphere of action, getting them to join the communist ranks. In order to set up a communist world view and ways of thinking, we must ensure that young people study Marxism-Leninism-Mao Zedong Thought. These are the basic tasks of the CYL. This work should be integrated with the great efforts of the party, which is at the moment implementing policies to bring order out of chaos and to establish a great new era. Advances in the ideology of young people in recent years have been the results of the practical study of communism. The CYL should take a leading role in urging young people to developing such policies as "the five stresses and four beauties," "setting up a new mood" and "serving you," and in doing so, struggling toward a turn for the better in the social mood. Such activities are, in fact, an active and lively way of educating young people in ideology, morals and discipline and help to endlessly raise the level of their moral standards and elevate their revolutionary spirit with great vitality.

Today's youth are the future of the country. The CYL is the party's helper and reserve force. The glorious blueprints drawn up at the 12th national congress will become wonderful realities in the hands of this generation of youth, and one of the conditions which will decide whether the young people can carry such a great burden is whether the CYL is able to unite the young people to become a vast and mighty army of successors to communism. The cadres of the CYL believe that we will not let the party or the people down in their expectations and hopes for us and that we will arduously work to organize and construct a "school for studying communism through actual practice" which is worthy of its name so that we may develop a frontline force for the establishment of a socialist spiritual civilization and achieve our glorious mission with even greater success.

Zhang Liqun [1728 2745 5028]: "In Fostering New Socialists, It Is Imperative That We Continue With Communist Education"

The establishment of a socialist spiritual civilization involves many things, and communist ideology is the very nucleus of it. The construction of a socialist spiritual education must be guided by communist ideology.

From the 60-odd years of practical party experience, we can see that whenever communist education is grasped, our work teams spring to life, the mood of the party flourishes and our causes develop and move forward. Whenever we slacken our grip on communist education, our causes stop their forward movement and even suffer setbacks. Whenever we think of the spirit of Yanan or the spirit of Nanniwan, it is heartening indeed, and these have become the symbol of the indomitable revolutionary spirit of the old generation of revolutionaries, embodying the arduous struggle and glorious tradition in the party's and the people's communist movement.

During the 10 years of social chaos, the wonderful tradition and revolutionary spirit of the party suffered terrible damage and the crazy fashions of "smashing, beating and looting" and the "spirit of rebellion" and their disastrous results have made us all very consciously aware of the fact that the construction of a socialist spiritual civilization ties in closely with the future of our party and our country as well as our general destiny.

In order to correctly carry out the construction of a socialist spiritual civilization, we must first improve the party mood. The exemplary role of the party is extremely important. Similarly, we must tackle well the question of educating young people in the principles of communism. There are 390 million young people in China, making up two-fifths [as published] of the total population. Young people represent the country's aspirations and future, and the realms of their ideology and the quality of their culture decide the future of our country. We must use Marxism-Leninism-Mao Zedong Thought as well as the spirit of communism to educate and arm the young people of China so that they will resolutely carry high the banner of communism and give themselves totally to the communist cause. Lenin said: "We are the party of the future, and the future belongs to the youth of today. We are the innovative party, and young people always want to be ahead of others in terms of innovation. We are the party continuing the selfless struggle against the corrosive elements of the past, and it is young people who always want to throw themselves, first of all, into a selfless struggle." ("Collected Works of Lenin," Vol 11, p 338) The young people of China possess a glorious revolutionary tradition and the young masses want to join the party in taking the broad road to communism. Nevertheless, we must remember that young people, having had their educational foundations smashed during the Cultural Revolution, can tend to veer in the wrong direction since their world views have not had a chance to fully develop and be consolidated. We must start by examining the realistic situation of young people in China, study their characteristics and seek the truth about them and develop the teaching of communist ideology so that they may throw themselves completely into the middle of the practical side of the communist movement.

The party has vast experience in teaching communist ideology to young people and such experience should be passed on and implemented. However, after the 10 years of social chaos, there were some changes in the objective state of young people in China and they took on some new characteristics. In the country's new era of opening up a new phase for the construction of socialist modernization, new situations and new problems are bound to arise. For example, the recently implemented open door policy has meant that while we import advanced science and technology and administrative and management experience from capitalist countries, some very poisonous and corrosive things from capitalism have also seeped in, and some young people who lack the ability to differentiate and resist cannot help but be influenced to various extents. Hence, we must, with lucid estimations, probe and promote healthy and mature rules and regulations for young people, making use of a wide variety of lively methods to guide them into accepting Marxism and becoming full-fledged communists.

When we carry out communist ideological education for our young people, we cannot simply rely on schools and the CYL. We must enlist the strength of the whole society and so organize a mighty and powerful army to construct a socialist spiritual civilization. Everyone, from all levels of the party and the government as well as every member of society and the front line, must bear the responsibility of educating the youth of China with communism. In this work, we must be aware of the characteristics of youth and we must guard against simplistic, crude and formalistic methods.

CSO: 4004/11

TAKE THE ROAD OF COORDINATED DEVELOPMENT OF AGRICULTURE, INDUSTRY AND COMMERCE

Beijing RED FLAG in Chinese No 21, 1 Nov 82 pp 37-40

[Article by Yang Yichen [2799 2496 6591]]

[Text] For many years, Heilongjiang Province has one-sidedly sought the development of heavy industry and neglected the development of agriculture and light industry. This has resulted in a serious imbalance in the proportionate relationship between agriculture, light industry and heavy industry and a prolonged state of backwardness in the production of consumer goods for daily use and in diversified operations in the rural areas. As early as 1962, Comrade Zhou Enlai took us to task for not having our own local industry and scolded us for not making full use of our advantages and for "begging for rice with a golden rice bowl." He was indeed speaking the truth, hitting the nail on the head. In the past, on various occasions we did try to lengthen these two "short legs" of light industry and diversified agricultural operations. However, because of the influence of "leftist" thinking and our imperfect understanding of the superior points of our province, we failed to grasp the opportunity. Since the 3d Plenary Session of the 11th CPC Central Committee, we have seriously implemented the Central Committee's eight-character policy of readjustment, restructuring, reorganization and upgrading. We have attained a deeper understanding of the abundant resources and superior economic points of our province. Guided by the thought of treating the whole nation as a chessboard and commencing with bringing our superior points into full play, we began to pay attention to the development of the light and textile industries and diversified operations in the rural villages. This has brought about a relatively big change in the economic structure and we have begun to tread the new road of coordinated development of agriculture, industry and commerce. In our actual experience, we have come to realize that from the point of view of a province, if we want to implement the policy of readjusting the national economy properly, we must earnestly sum up the experiences and lessons of history and properly solve the following five issues in our guiding thought:

1. Gradually Establishing an Economic Structure Suitable to the Full Exploitation of the Superior Points of Our Province

In readjusting the proportionate relationships and establishing a rational economic structure, we cannot depend on subjective wishes but must consider how to make full and rational use of our region's superiority in resources and economic technology, and the objective needs for the planned and proportionate development of the national economy. What is the criterion of whether an economic structure is rational or not? This principally depends on whether or not the economic development can satisfy social needs and ensure the coordinated development of all the sectors of the national economy; on whether or not we have paid attention first to the actual conditions of our province and fully utilized its manpower, materials, financial power and natural resources and on whether or not we can vigorously promote scientific and technological progress and raise the labor productivity rate, so as to enable production to increase at a faster rate and achieve better results. In the past, we lacked a sufficient understanding of this point. Despite our many years' work in Heilongjiang, we have not yet acquired a real and comprehensive understanding of the province. We frequently paid special attention to its resources of coal, timber and crude oil for the development of heavy industry (which is correct) but scarce attention was given to the development of the abundant resources of the light and textile industries and the food industry. Moreover, over a long period of time we have been satisfied with our province serving as a raw materials base but seldom engaging in processing work of the primary grade, far less in more intensive types of processing. We even went so far as to forsake our superior points in preference to our weak ones and devoted much strength to the development of small iron and steel industries despite the lack of iron ore resources in our province. As a result, we paid a heavy price but achieved poor results.

Finally, through summing up the experiences and lessons gained, we began a provincewide large-scale economic investigation and acquired a more intensive knowledge of the superior points of our province. The guiding thought of economic readjustment became clear in our minds and we no longer indulged in such foolishness as giving up our strong points and using our weaknesses. We decided to bring into full play the superior points of 12 categories of resources, these being grain, beans, sugar, milk, potatoes, hemp, fur, silk, chemicals, leather, timber, and reeds. We placed great stress on the development of the light and textile industries and gave them first priority in the provision of funds, energy, materials and technology. At the same time, we decided that with regard to heavy industry, the structure of its products should be readjusted, the direction of its service reoriented, and the relative weight of its service to light industry and to agriculture continuously expanded. On the side of agriculture, we decided that on top of grasping well grain production, we would actively develop economic crops and diversified operations and promote the overall development of agriculture, forestry, animal husbandry, sideline production and fishery. In the course of readjustment, we strove vigorously to make full use of our strong points, avoided our weak points and brought into full play all the superior points of our province being rich in resources and possessing a relatively firm industrial foundation, a fairly strong technology, a flourishing communications system, and extensive markets. Our objectives were to build our province into the following sorts of base area: a modernized agricultural base concentrating on production of commodity grain, and including the overall development of economic crops and diversified operations; a light industry base having the food and textile industries as its focal points of development; and a forestry base featuring afforestation and placing the focal point on the comprehensive utilization of timber. In addition, we plan to develop our province into a base for energy with emphasis on the output of coal and crude oil, and into a heavy industrial base with emphasis on the machine-building industry and the building materials industry. We thus proposed to build up a new-style economic structure featuring the coordinated development of agriculture, light industry and heavy industry.

Under the guidance of the above thinking, and following 3 years of concentrated effort, we have achieved relatively good results in the readjustment of the economic structure. The following are the results, comparing the 3 years previous to, with the 3 years after, the 3d Plenary Session of the 11th CPC Central Committee: The average annual grain output increased from 24.9 billion jin to 27.8 billion jin, and in the latter 3 years, the gross output value of agriculture increased yearly at an average of around 9 percent. In the gross output value of agriculture, the relative weight of economic crops grew from 9 percent to 15.4 percent, while that of diversified operations increased from 20.2 percent to 24.4 percent. As for industrial production, a number of small iron and steel plants and chemical fertilizer plants were closed and the internal structure of industry was readjusted. Light industry has enjoyed a rapid development every year: an increase of 16.3 percent in 1980 over 1979; and an increase of 13.6 percent in 1981 over 1980. A relatively big change was effected in the proportionate relationship between light industry and heavy industry. The proportion occupied by light industry in the gross output value of industry rose from 26.3 percent in 1978 to 36.8 percent last year. The entire economy has attained new vitality, laying strong foundations for further readjustment.

2. Implementing Comprehensive Readjustment of Agriculture, Industry and Commerce and Stressing the Production of Consumer Goods

Our readjustment work aims at solving the problem of the imbalance in proportionate relationship in accordance with the Marxist reproduction theory, and the regulations governing the planned and proportionate development of the national economy, to enable the various departments of the national economy to promote each other and not to become mutually disjointed. Hence, we feel that to do a good job of readjustment, first of all we must think along the lines of effecting a comprehensive readjustment. In other words, we should not confine ourselves to readjusting the individual enterprises themselves or to readjusting agriculture and industry separately. Rather, we should carry out, on a provincewide basis and according to step by step plans, a comprehensive readjustment of agriculture, industry and commerce.

When the eight-character policy was first adopted, in order to strengthen light industry, we grasped the problem of the raw materials for agricultural and sideline products as a focal point of work. After more than a year, the main contradiction was changed and the problem became one concerning a serious lack of processing capacity in the light, textile and food industries. This made us realize that if we isolatedly readjusted a certain area or link in the production process, the chances would be that we might attend to one thing and lose sight of another and that once we solved an old imbalance, a new imbalance might appear. In this way, it would be difficult to ensure coordinated economic development. In order to solve this problem, we grasped the central link in the production of consumer goods and decided on the focal development of some 10 trades and products including sugar refining, textiles, food products and the comprehensive use of timber. At the same time, we combined together the work of readjusting the industries and reforming the economic structure. In order to break through the departmental boundary limits and facilitate the development of focal-point products, we have set up over 10 small specialized leadership groups of which 9 are concerned with the production of consumer goods. The various groups are under the charge of committee secretaries, standing committee members and provincial vice governors, with each heading one or two of these small groups. They worked hard on each industry and product and tightly grasped the different stages ranging from processing of the raw materials to passing through the circulation channels. They did their work thoroughly and achieved fairly good results. For example, sugar production increased from 145,000 tons in 1978 to 344,000 tons in 1981; confectionery production from 15,000 tons to 27,000 tons; output of milk products from 10,400 tons to 18,000 tons; and the number of spindles in the textile industry increased from 340,000 in 1978 to about 500,000 in 1981. The comprehensive utilization rate of timber's "3 leftovers" (namely, leftovers from tree felling, processing and product-making) reached 27.7 percent, the output capacity of artificial fiber boards using the "3 leftovers" as raw materials amounted to 360,000 cubic meters, and the gross value of its output was over 500 million yuan. Meantime, in order to develop the light and textile industries, it was necessary to expand their production capacity and to undertake the needed technical rebuilding. This gave new tasks to such heavy industry departments as the machine-building industry and others and made them reorient their direction of services and readjust the structure of their products. The healthy development of heavy industry was thus promoted. In this way, if the 10 or more specialized small groups, which take consumer goods as their focal point, continue to tightly grasp their work in accordance with plan, then it may be estimated that by 1985, the economic structure of Heilongjiang Province will have become rational and a new appearance will emerge in the situation.

Following the development of the light and textile industries, the demand for raw materials has sharply increased. This, in turn, promoted readjustment of the agricultural structure and development of economic crops and diversified operations. We plan that under the conditions of a steady increase in grain output, we shall basically change the agricultural structure from its unitary, subsistence type and gradually attain the objective of making the output value of grain, economic crops and diversified operation constitute one-third each of the gross output value of agriculture. Thus, we shall put Heilongjiang on the road to modernized large-scale production which calls for little investment but achieves handsome results and a high commodity production rate. At the same time, we shall bring into full play the role of agricultural mechanization and in this way liberate a large agricultural labor force for the further development of enterprises in the communes and production brigades as well as the processing industry for agricultural and sideline products. We shall thus endeavor to achieve the coordination between industry and agriculture and between the urban and rural areas. This is a road which we must traverse in order to make the rural villages truly prosperous. Indeed, it appears impossible that the rural villages will become truly prosperous if we confine ourselves only to grain production without developing economic crops and diversified operation. It will also be impossible if we endeavor to develop only agriculture without developing the processing industry.

Development of agricultural production will bring in its wake higher demands on the commodity circulation channels. This is to say, the circulation channels must be widened, the number of turnover points or stoppages must be reduced, the work style in business must be improved, and commodity circulation must be facilitated. In this way, we shall gradually form a "one dragon" system whereby purchasing, processing and marketing are linked together. This "dragon" will find its way not only into the whole province and whole country but also into the world market. Persistently grasping our work in this way will transform the economy of our country into a chain of interlocking stratagems of coordinated development of agriculture, industry and commerce whereby industry will promote agriculture, agriculture will lead industry, light industry will promote heavy industry, heavy industry will lead light industry, production will promote circulation and circulation will lead production. The whole economy will thus embark on the road to healthy development.

This "chain of interlocking stratagems" of coordination of agriculture, industry and commerce will also promote changes in the ownership system and the labor employment structure. Over the past few years, based on the great development of socialist collective economy, in the cities, municipalities and market towns in our province, the individual handicraft industry and repair trades have achieved a certain degree of development. The number of establishments engaged in collective and individual commerce, restaurant trade and repair trades increased from 33,000 units in 1979 to 107,000 units last year, an increase of 220 percent. This speed of development has not been seen in the past 30 years. These commercial units and service trades provided employment to some 800,000 people of whom 340,000 were young people awaiting employment. If we press forward along this road of the "chain of interlocking stratagems," the ultimate trend of development will be unification of agriculture, industry and commerce embracing the coordinated development of the urban and rural areas, of industry and agriculture and of the counties, communes and production brigades. To conform to the development of this situation, we still need to strive hard to do a good job of the construction of small cities and towns.

3. Making Use of the Superiority of the Machine-Building Industry To Mend the Insufficient Processing Capacity of Agricultural and Sideline Products

Following the 3d Plenary Session of the 11th CPC Central Committee, the rural policy adopted has been welcomed by the populace. Development of economic crops and diversified operation has been rapid. A large quantity of raw materials has been provided for the light industry. Some of the light industrial plants which used to struggle for raw materials now have an ample supply and have to dispose of, or sell, their raw materials in stock. In fact, in some cases, stockpiling of large quantities of raw materials has actually occurred. Because of the overabundance of sugar beet, the existing sugar refineries had to extend their sugar-pressing period and overloaded their machinery with work. The output volume of hemp was excessive, and the only thing to be done was to export it. Due to the weak processing capacity of milk products and their irrational geographical distribution, there was much wastage of fresh milk once the busy purchasing season was over. Large quantities of edible oils have to be stockpiled owing to the shortage of processing facilities. A situation of this kind on the agricultural front indicates that there is an urgent need to raise the processing capacity for agricultural and sideline products.

How shall we solve the problem of insufficient processing capacity for the light and textile industries and the food industry? We have depended mainly on utilization of the existing strength of the machine-building industry and on bringing the superiority of the machine-building industry into full play. In our planning, we closely linked the development of the light and textile industries with the readjustment of the machine-building industry and, in a planned manner and systematically, organized the machine-building industry to serve the development of light industry in our province and to produce whole-set equipment for the processing of agricultural and sideline products. Within the machine-building industry, a rational system of division of work has been effected, production of specific products and the direction of service have both been fixed. Thus, some products were intended for the comprehensive utilization of timber, some to serve the light and textile industries in tapping their potentials, in restructuring and in rebuilding, while some were to serve the sugar refining and food industries. At the same time, full utilization was made of the foundation of existing light industry enterprises to continuously develop processing work to a more intensive degree and, through the comprehensive utilization of industry, form a package of interlocking strategies for the processing of raw materials, preliminary grade products and final grade products. As a result, the machine-building industry came to life, the processing industry developed and development of agriculture was promoted. In 1981, the value of the products of the machine-building industry serving light industry increased by 14 percent over 1978 and the downturn in production of the machine-building industry became an upturn.

4. Speeding Up the Raising of Economic Effect

The 10 economic construction guidelines given up by Comrade Zhao Ziyang at the 4th Session of the 5th NPC had as their central point the improving of economic effect. He clearly pointed out: "Our country's national economy must traverse a new road at a relatively dependable speed, with relatively good economic effect and more real benefits to the populace." It is a valuable experience gained after having paid a very high price. It is the starting point of performing further a good job of economic readjustment and is particularly applicable to our province. Our province has plentiful natural resources, a fairly good industrial foundation and has made rather large contributions to the state in various economic sectors such as coal, timber and oil. However, generally speaking, our economic effect is rather poor. At present, our economic targets are not only lower than the national average but also lower than our relatively higher historical level. In order to change this contradiction of high superiority on one side but low economic effect on the other, what is most important is to effect a fundamental change in ideology and to avoid making high targets and giving blind directions. Indeed, we must refrain from such foolishness as undertaking high sounding projects which ultimately produce no actual results. We must combine proportion, speed and effect together, grasp speed with an eye to the economic effect and make speed abide by effect. We must pay attention to improving the economic effect in the enterprises and, more importantly, to improving the overall economic effect in the structure as a whole.

Over the past few years, what we did was to start with restructuring the irrational economic structure and then proceeded from various directions to improve the overall effect on the economy as a whole. 1) Aiming at satisfying social demand, we strengthened planned production and vigorously developed those consumer goods of daily use which belonged to the so-called "short-line" and urgently needed category of goods but which possessed the necessary conditions for increasing production. These goods included sewing machines, bicycles, wooden clocks, confectionery, beer, cigarettes, and so on. The objective was to make them marketable. 2) Taking the original light industry enterprises as the base, the potentials of current enterprises were fully tapped. In the case of light industry "combination" and "joint operation" of the enterprises were carried out, whereas in the case of the machine-building industry the governing theme was to place emphasis on "both heavy industry and light industry" and on "both products for military use and products for civilian use." Adhering to the principles of economic rationalization and specialized coordination, we organized the heavy and light industries to carry out technical rebuilding and development of their famous brand products and to enlarge the production quotas of the focal products of light industry. In the establishment of new enterprises, priority was given to those projects which involved little capital outlay, could reap quick results and could attain large benefits. We followed the theme of combination of big, medium and small projects but refrained from undertaking any more the wasteful "small, native and common" projects. In the case of certain modern projects which one single enterprise could not handle, joint operation with other enterprises, or with the state or collective, was advocated. We carried out well the job of achieving overall balance and stopped the practices of "blind construction" and duplicate construction. As for enterprises of an irrational structural composition, gradual readjustment was made while in the case of those enterprises whose products were of a poor quality and not marketable and which involved a high consumption rate of raw materials and energy in production, and which achieved low economic results and generally were lacking in competitive power, we took firm steps to close, or merge, or shift them to other lines of production or trades. 3) Concurrent with the expansion of the processing capacity of the light and textile industries, we tightly grasped the technical rebuilding of the older enterprises and performed a good job of improving the quality of existing products or replacing them with new and better products. The poor and low quality of the benefits derived from our industry was attributable not only to the imbalance in proportionate relationship but also to the low technical level of the enterprises and the poor quality of their products. Why is it that certain products of light industry are stagnant in sales, or are stockpiled in the warehouses, or are unable to be sold outside the province or are incapable of entering into the world market? The reason is not that there is no market demand for them but mainly that the structure of the products is not rational, their quality is poor and they generally lack competitive power. The aluminum alloy bicycles with the brand name "Flying Dragon" which are made in our province have received general acclaim and the loudspeakers produced in Zhaodong County have been enjoying flourishing sales throughout the country all because of the products being new and relatively good in quality. We deeply feel that concurrent with the readjustment of the proportionate relationship between light industry and heavy industry, we should readjust the technological structure, coordinate the efforts to increase production capacity with the efforts to raise the technological level, heavily strengthen the technological strength of industry, actively promote the development of new products, speed up the improvement and replacement of old products and transform the backward countenance over sized and ugly products. Only in this way can the economic effect be raised. 4) We firmly grasped management and control, strengthened the weak links in the circulation channels, further readjusted the relationship between industrial merchants, agricultural merchants and commercial merchants, opened up markets and oriented ourselves toward service to the whole country and the international markets. We believe that only in this way can we open up financial resources, accelerate capital turnover and achieve better economic results. We have learned from actual practice that increasing speed is easy but raising the effect is difficult and that stressing speed alone may easily make us forget about effect. Naturally, stressing effect does not mean that speed is not needed, since speed and effect are united.

5. Taking a Nationwide View of Bringing Our Province's Superiority Into Full Play

Following the continuous progress in readjusting the national economy, we have increasingly felt that from the standpoint of a single province it is extremely important to foster the ideology of treating the whole country as one chessboard. This is in fact ordained by the very nature of this big united socialist country of ours. Furthermore, we have brought forth the policy of "minding the whole situation, sharing difficulties, bringing one's superiority into full play, and making the utmost contributions." Politically, we maintain solidarity with the party Central Committee. Economically, we are subservient to the centralized and united directions of the State Council. The country as a whole represents the overall situation of which a province is a part. A part should follow the whole and the theme "suiting measures to local conditions" should be altered to "suiting measures to national conditions." In the past, we have made contributions to socialist construction. Now we must still keep the whole situation in mind and make even more contributions. In the course of readjustment, we must ensure fulfillment of the national plan, particularly fulfillment of the tasks related to the focal products such as grain, coal, crude oil, timber, electric machines, and so on. The quantities of raw materials and products we should deliver must be so delivered. Under the logical premise of relatively stabilizing the sowing area for grain, we should principally depend on raising the per-unit yield and developing economic crops and diversified operation. At the same time, we should sum up the lessons from history and under the logical premise of ensuring the whole interests of the state, we should pay attention to the economic interests of this province, make full use of our strong points but avoid our weak points, fully utilize our superiority in natural resources and promote the development of light and textile industries and the food industry. After having fulfilled the assigned delivery tasks of our products and resources, all the raw materials for our light industry which can be processed locally should first of all be processed locally. This is a comparatively better method, and is advantageous to both our province and the state. In bringing our superiority in resources into full play, attention should be jointly given to demand and feasibility. Due to our limited funds and technological strength, concerning those raw materials and primary-grade products which, due to our limited funds and technological strength we lack the necessary conditions to fully utilize at the moment, either let the state ship them out on a unified basis, or let our brother provinces and municipalities join with us in handling them on the principle of equality and mutual benefit. We heartily welcome our brother provinces and municipalities possessing the necessary technology and capital but lacking the necessary resources to cooperate with us in organizing joint operation enterprises in such sectors as the food industry, light and textile industries, timber and its comprehensive utilization, and so on. Let us in this way further develop this treasure house of Heilongjiang.

CSO: 4004/13

HOW TO STUDY THE SIXTH PART OF THE REPORT TO THE 12TH CPC NATIONAL CONGRESS

Beijing RED FLAG in Chinese No 21, 1 Nov 82 pp 41-45

[Article by RED FLAG Editorial Office for Theoretical Education; passages within slantlines published in boldface]

[Text] This part of the report deals with the task of building our party and making it a strong leading core for the cause of socialist modernization as required by the new party constitution. It begins with an explanation of the general principle guiding the revision of the party constitution and the main points of the draft. It then goes on to expound the following four tasks which we must concentrate on in tackling party building:

First, improve the party's system of democratic centralism and further normalize inner-party political life.

Second, reform the leading bodies and the cadre system and ensure that the ranks of the cadres become more revolutionary, younger in average age, better educated and more professionally competent.

Third, strengthen the party's work among the workers, peasants and intellectuals and establish close ties between the party and the masses.

Fourth, consolidate the party organizations step by step in a planned way so as to effect a fundamental turn for the better in the style of the party.

Lastly, it gives the whole report a summing-up.

In studying this part of the report, we can divide the beginning, the four tasks and the summing-up into six main points. We can then refer to relevant documents and materials to better understand the substance and essential spirit of these main points and concentrate on studying how to do a better job of party building in accordance with the requirements of the party Central Committee.

/In studying the beginning of this part, it is possible to achieve a better understanding by attaching importance to the following: First, better understand the general principle guiding the revision of the party constitution in the light of the characteristics and needs of the new historical period. Second, find out by means of comparison and contrast to what extent the new party constitution has discarded the "left" errors in the constitution adopted by the 11th congress and carried forward the merits of the party constitutions passed respectively by the 7th and 8th congresses. Third, better understand the significance and main points of the revisions of the party constitution./

The report pointed out that the general principle guiding the revision of the party constitution is to set more exacting demands on party members, enhance the fighting capacity of the party organizations and uphold and improve party leadership in conformity with the characteristics and needs of the new historical period. In essence, conformity with the characteristics and needs of the new historical period chiefly means:

1) Our party is a political party in power and occupies a leading position in the life of the state. This position as a political party in power makes it easy for our comrades to be tainted with bureaucratic habits and to become arrogant and conceited. The danger of divorcing oneself from reality and from the masses has increased rather than diminished. Hence our party is confronted with new tests and must set more exacting demands on party organizations and party members. This problem was discussed at great length in the report of the eighth party congress on the revision of the party constitution but was not followed up earnestly. This time, on the basis of summing up positive and negative experiences, the 12th party congress took our party's position as a political party in power into full account and set forth stricter requirements for party building. These demands are all embodied in the new party constitution.

2) In line with its position as a political party in power, our party must maintain sound political life and better adhere to the principles of democratic centralism and collective leadership. Inner-party political life started to become abnormal in the late 1950's. During the period of the "Great Cultural Revolution," in particular, the party's principles of democratic centralism and collective leadership were seriously undermined. It is precisely on the basis of summing up experience and lessons in this regard and in conformity with the need to set things right that the 12th party congress included a series of stipulations to this end in the party constitution.

3) The new historical period requires our party to shift the focus of its work to leading the cause of socialist modernization and build a high level of socialist spiritual civilization while working for a high level of material civilization. It requires us to develop socialist democracy and strengthen the socialist legal system. It also requires us to ensure that the ranks of our party's cadres become more revolutionary, younger in average age, better educated and more professionally competent. It is precisely in conformity with these requirements that the 12th party congress adopted clear-cut stipulations in the party constitution.

4) Our party style was seriously damaged during the 10 years of domestic turmoil. Thus, one of our important tasks for the immediate future is to effect a fundamental turn for the better in our party style. It is precisely in conformity with this requirement that the 12th party congress adopted appropriate stipulations in the party constitution regarding the activities of party organizations and the qualifications of party members.

In other words, our party's position as a political party in power, the responsibilities entrusted to our party by history and the present state of our party style all place higher demands on party building in the new historical period. In the course of our study, we must analyze existing problems in our party in the light of the four points discussed above in order to acquire a better understanding of the general principle guiding the revision of the party constitution.

On the basis of summing up experience in party building over the years, the new party constitution has made many changes in the constitution adopted by the 11th party congress. It has discarded the "left" errors in that constitution and carried forward and developed the merits of the constitutions passed respectively by the 7th and 8th party congresses. Thus, it suits the characteristics of the new historical period and the needs arising from actual party life.

The constitution adopted by the 11th party congress emphasized the need to uphold "the basic line of the socialist period" and the theory of "continuing the revolution under the dictatorship of the proletariat," and totally affirmed the "Great Cultural Revolution." It set forth the need to "carry out many more great cultural revolutions," the need to expel "unrepentant persons in power taking the capitalist road" from the party, and so on. All these are "left" errors carried over from the constitutions passed respectively by the 9th and 10th party congresses. These errors were systematically sorted out in the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" and should of course be discarded in the new party constitution.

The constitutions passed respectively by the seventh and eighth party congresses were drawn up under situations in which the party's guiding ideology was relatively correct and inner-party political life was relatively normal. Therefore, their provisions on various aspects were more scientific and practical. Take the party's general task for example. On the basis of an analysis of China's national condition, the constitution passed by the eighth party congress stated that the task of the party was to lead the cause of socialist modernization and that the fundamental objective of our party in all its work was to satisfy the material and cultural needs of the people. With a view to strengthening party building, carrying forward the fine traditions of our party and enhancing the fighting capacity of our party, the constitutions passed respectively by the seventh and eighth party congresses both expounded in their "general program" the importance of maintaining party unity, following the mass line, develop criticism and self-criticism, adhering to democratic centralism and wholeheartedly serving the people. As far as the party's principle of democratic centralism, the obligations and rights of party members, the relationship between the party and the CYL, etc., were concerned, the provisions in the constitutions passed respectively by the seventh and eighth congresses were more detailed and clear-cut. These good points have been carried forward and further developed in the new party constitution. For this reason, the new party constitution is an improvement on all the previous constitutions and is fuller in content.

To begin with, the new party constitution has a "general program" which is more substantial in content. It gives us a more comprehensive and scientific outline of the party's character and guiding ideology, its long-term and immediate objectives, its basic requirements for party members and party organizations and the basic principle of how the party should correctly play its leading role. The main content of the revision of the party constitution can be summarized in the following three major aspects: First, it sets more exacting demands on party members, party cadres and grassroots organizations than those in all our previous constitutions and adds a new chapter on party cadres which expects more from them than from ordinary party members. Second, it lays down more systematic and all-round provisions for the principles of democratic centralism and collective leadership as practiced by the party and emphasizes in particular that all major issues must be decided upon by party committees after democratic discussions and that all forms of personality cult must be forbidden. It also stipulates stricter provisions for party discipline. Third, it makes many new provisions for improving the systems of the central and local organizations, tightening party discipline, reinforcing discipline inspection organs and strengthening grassroots party organizations.

These changes in the party constitution have been made so we can strengthen and improve party leadership and build our party into a strong leading core for the cause of socialist modernization in the new historical period. Provided that the whole party acts strictly in accordance with the requirements of the new party constitution, there will be a fundamental turn for the better in the style of our party, its fighting capacity will be enhanced, its prestige will rise and it will be able to preserve the purity of communism and never degenerate.

/In studying the first task, we must fully understand the significance of improving the system of democratic centralism in the whole party and normalizing inner-party political life on the basis of the integration of theory and practice. We must also make clear the relationship between tightening party discipline and improving the functioning of democratic centralism./

Democratic centralism is the basic organizational principle of the party and requires that we practice a high degree of centralism on the basis of a high degree of democracy. It reflects the relationship between the party and those led by the party, between higher party organizations and lower organizations, between individual party members and the whole party, between central and local organizations on the one hand and the masses of party members on the other. Without a high degree of democracy as our foundation, we will never be able to achieve correct centralism and will develop patriarchal ways of one person deciding matters arbitrarily. Without a high degree of centralism, we will never be able to achieve true democracy and will end up in a state of excessive democratization and anarchy inside the party. Thus, in order to ensure a high degree of centralism and unity within the party on ideological and political matters and ensure the normalization of inner-party political life, it is necessary to improve the functioning of democratic centralism in the whole party. In carrying out democratic centralism, it is necessary to properly handle the relationship between higher and lower levels and between collective leadership and individual responsibility. From history, we can see that rightist and "leftist" mistakes usually had something to do with our failure to correctly handle these two relationships. In the period from its founding to the early years after the establishment of the PRC, our party implemented the principles of democratic centralism relatively well and inner-party political life was fairly vigorous and lively. This was essentially because we did a relatively good job of handling these two relationships. The report of the eighth party congress on the revision of the party constitution emphasized in particular the importance of properly handling the relationship between higher and lower levels, upholding the principle of collective leadership and opposing the personality cult. After the congress, the personality cult gradually appeared and developed and major issues were no longer decided upon after holding collective discussion according to the principle of democratic centralism. Usually an individual or a few people had the final say. Patriarchal practices of "what I say goes" and placing oneself above the organization developed constantly. Political life in the party and state, particularly in the Central Committee, grew more and more abnormal, leading eventually to the decade of domestic turmoil. We should always bear in mind this lesson of history about how the wrecking of the system of democratic centralism brought great harm to the party and the people.

On the basis of summing up historical experience, our party has, since the 3d Plenary Session of the 11th Central Committee, laid great emphasis on the need to uphold democratic centralism. As a result, political life in the party, and first of all in the Central Committee, has gradually returned to the correct path, the path of Marxism. There has also been marked improvement in the political life of many local party organizations. This is one of the basic reasons why our party has been able to formulate correct principles and policies and make important achievements in various undertakings in recent years. However, there are still many party organizations which have not done a good job in implementing the principle of democratic centralism. On the one hand, undemocratic practices and patriarchal ways have still not been eradicated. On the other hand, cases of decentralism and liberalism exist to a serious extent. In order to enhance the fighting capacity of the party, we must conduct thoroughgoing education on democratic centralism in accordance with the requirements of the new party constitution and get rid of these unhealthy phenomena.

Strict discipline is an important guarantee for improving the functioning of democratic centralism in the whole party and normalizing inner-party political life. The basic principle of democratic centralism is: individual party members are subordinate to the party organization, the minority is subordinate to the majority, the lower party organizations are subordinate to the higher ones, and all the constituent organizations and members of the party are subordinate to the National Congress and the Central Committee of the party. Every organization and member of the party must resolutely adhere to this basic principle. No one is allowed to go his own way and carry out only those principles, policies and decisions which are to his liking. Otherwise, the party will not be able to achieve the unity of will, acquire fighting capacity and fulfill its tasks. Not only will stressing the need for strict party discipline not hamper the development of inner-party democracy but is an important prerequisite for ensuring the normal democratic life of the party. The new party constitution explicitly stipulates that violations and expropriations of the democratic rights of party members and organizations will not be tolerated by party discipline. Owing to the decade of domestic turmoil and the damage done by the Lin Biao and Jiang Qing counterrevolutionary cliques, cases in which discipline has slackened, right and wrong are confused and rewards and punishments are misused can still be found to a fairly serious extent in quite a number of party organizations. This is an important expression of the unhealthy style of the party and is an important reason why the party has been unable to play its role properly. It is precisely for this reason that the report emphatically pointed out that party organizations at all levels must be mobilized to fight resolutely to uphold party discipline. In order to strictly enforce party discipline, the new party constitution devotes two chapters to party discipline and organs for discipline inspection and sets forth clear-cut provisions in both. In studying this problem, we must integrate the study of the new party constitution with actual practice and overcome erroneous tendencies in the functioning of democratic centralism and the enforcement of party discipline.

/In studying the second task, it is necessary to lay stress on gaining a clear idea of two things: 1) The significance of reforming the leading bodies and the importance of resolving the division of labor between party and government. 2) Why it is necessary to reform the cadre system and ensure that the ranks of the cadres become more revolutionary, younger in average age, better educated and professionally more competent./

In the final analysis, the reform of the system of leadership and the leading organs of the party and state is demanded by the cause of socialist modernization. The modernization program requires the service of leading bodies which are compact but vigorous, highly efficient and free from bureaucratic practices and which have clear-cut job responsibility. However, defects such as organizational overlapping, lack of clear-cut job responsibility, overstaffing, failure to separate party work from government work, "aging" of the team, and serious instances of bureaucracy are still found in our leading bodies. All this is not in keeping with the requirements of modernization. Unless we are resolved to carry out reform, we will not be able to effectively implement the party's line, principles and policies even if they are correct. Even if we have mapped out excellent plans, we will not be able to carry them out smoothly. Comrade Deng

Xiaoping once emphatically pointed out that in a certain sense, organizational reform is revolution. Whether or not this revolution is carried out will not only determine the future of modernization but will affect the destiny of the party and state. In the course of study, we must fully understand the far-reaching significance of organizational reform on the basis of integrating theory with practice and get rid of ideological obstacles in this regard.

An important part of organizational reform is to correctly solve the question of the division of labor between party and government. This question has not been properly resolved in all these years. In many localities, particularly enterprises, the party organizations often fail to separate party work from government work; instead they take everything into their own hands. They have the habit of monopolizing administrative affairs. In so doing, they do not have the time or energy for major issues which must be grasped, and thus weaken party leadership. On the other hand, because the party has taken over the functioning of the government and the government that of the enterprises, many administrative organs and production organizations cannot play their respective roles fully or independently. The normal progress of work is thus affected. Party work must be separated from government work and the party should concern itself only with party affairs. This will not only strengthen and improve party leadership but is an important guarantee for giving full play to the leadership role of administrative organs at all levels. In the course of study, we must find out what are the leadership responsibilities of the party, why it is necessary to separate party work from government work and how we should go about it. Party workers must pay attention to overcoming the erroneous idea that there will be nothing for them to do if they do not handle concrete administrative work. Comrades working in administrative departments and establishments must pay attention to guarding against the erroneous tendencies of breaking away from party leadership and refusing to carry out the party's principles and policies.

Next to the reform of the leading bodies, another important task which urgently requires tackling is to reform the cadre system and ensure that the ranks of the cadres become more revolutionary, younger in average age, better educated and more professionally competent. This is a cardinal principle for the party's work concerning cadres in the new period. At present, "aging" is quite a serious problem in the leading bodies at various levels. Many cadres do not possess the necessary cultural, scientific and technical knowledge. This is in sharp contradiction to the requirements of socialist modernization. In view of this situation, the party Central Committee set forth the timely demand that we gradually lower the average age of the ranks of the cadres and ensure that they become better educated and more professionally competent with the prerequisite of becoming more revolutionary. In order to achieve this goal, it is necessary to reform that part of the cadre system which does not suit these needs. The so-called reform of the cadre system includes the abolition of the de facto life tenure for leadership posts, the introduction of a system requiring veteran cadres to retire or withdraw to the second line, the institution and perfection of systems of job responsibility for different levels and types of cadres, together with corresponding systems governing the training of cadres in rotation, their assessment, promotion and demotion, reward and punishment and so on, as well as efforts to further improve systems governing the democratic election and appointment and dismissal of cadres. By carrying out these reforms in earnest, we will be able to promote large numbers of energetic young and middle-aged cadres, who possess both political integrity and ability, to various leading posts in good time, and provide an institutional guarantee for the succession of the new to the old. We must fully understand the importance and pressing nature of the "four reforms" in the ranks of the cadres and further eliminate erroneous ideas such as that cadres can only move up but never step down, "taking seniority as the only qualification" and discriminating against intellectuals, which have developed over the years. In his address to the 12th party congress, Comrade Chen Yun put forth an important principle for resolving the question of the succession of cadres. We must earnestly study his speech and grasp its essence. The Central Committee stipulated that in the future all cadres must take part in training in rotation. This is an important strategic measure for raising the quality of cadres. Every comrade must fully understand the far-reaching significance of this measure, guard against the unhealthy tendencies of slighting knowledge and resigning ourselves to be mere laymen and actively take part in study.

/In studying the third task, we must understand why it is necessary to establish close ties between the party and the masses in the new historical period. We must also understand the importance of strengthening the party's work among the workers, peasants and intellectuals./

Wholeheartedly serving the people, proceeding from the best interests of the broad masses of the people in everything, firmly trusting and relying on the masses and maintaining close ties with them are the fine traditions developed in our party in the course of protracted revolutionary struggles. They are important guarantees for defeating mighty enemies and overcoming difficulties to win victories. Under new historical conditions, it is of particular significance to preserve and carry forward these fine traditions. Our party's position as a political party in power determines that its activities vitally affect the interests of the masses. Only by maintaining close ties with the masses and pooling their opinions, experience and wisdom can we formulate correct principles and policies and translate these principles and policies into mass action. Estrangement from the masses can cause far greater damage now than before we came into power. Owing to the series of errors made by our party in its guidance work, particularly the mistake of the "Great Cultural Revolution," the party's ties with the masses have been weakened. Some cadres forgot all about the fine tradition of maintaining close ties with the masses and set themselves above the masses. Some even made use of their authority to encroach on the interests of the masses and do damage to the party's cause. For this reason, we must conscientiously learn from the experience and lessons of history and effectively strengthen the flesh-and-blood ties between the party and the masses in every respect. This is a question of fundamental importance in strengthening party building under new historical conditions.

Our party has always attached great importance to work among the workers, peasants and intellectuals and among the young people and women, and has accumulated rich experience in mass work. However, owing to the decade of domestic turmoil and changes in historical conditions, the party's mass work has been somewhat weakened. This is not compatible with the historical mission shouldered by the party in leading the cause of socialist modernization, and it urgently needs strengthening. The report analyzed the actual state and new characteristics of various sections of the masses. In the light of existing problems, it set forth the task and requirements of strengthening links between the party and the workers, peasants and intellectuals. It also set forth the principle of work and direction of endeavor for trade unions, the CYL, and women's federations. All comrades, particularly those directly engaged in mass work, should make an earnest effort to understand the report, sum up experience and unify their thinking in line with the spirit of the report.

/In studying the fourth task, we must correctly understand the present condition of the party and have firm faith that there will be fundamental turn for the better in the style of the party. We must also understand the significance of party consolidation and also the principle and measures involved, and actively make ideological preparation./

As the core leading the cause of socialist modernization, our party shoulders a heavy historical responsibility. Practice since the third plenary session has shown and will continue to show that our party will definitely be able to better build itself up and lead the people of the whole country in creating a new situation of socialist modernization. In view of the grave problems now existing in party style, some comrades do not have much confidence that our party can better build itself up and effect a fundamental turn for the better in its style in the next 5 years. The main reason for this kind of passive thinking is that they have not seriously analyzed the state of our party. Our party is a party which has been nurtured over the years by Marxism-Leninism-Mao Zedong Thought. It is a party which has gone through the tempering of protracted revolutionary struggles and has been reared in glorious revolutionary traditions. Our party has rallied to its ranks outstanding elements of the Chinese working classes and the Chinese people and has brought up countless heroes who fought hard and laid down their lives for the communist cause. The masses of fine Communist Party members are wholeheartedly serving the people and playing an exemplary role in production and other work. Thus, despite the serious damage inflicted by the "Great Cultural Revolution," the main body of our party remains politically pure, healthy and strong on the whole. On the other hand, it is true that impurities in ideology, style and organization still exist within the party. The dark aspects cited in the report do exist. If we do not resolutely wage a struggle against these dark aspects and let them develop unchecked instead, our party will be in danger of degeneration and we will not be able to win a victory in the cause of socialist modernization. It is precisely with this in mind that the party Central Committee has time and again emphasized that the style of a political party in power determines its very survival. From this high level of political understanding, it has led the whole party to wage an unremitting struggle against unhealthy tendencies. The staunch determination of the party Central Committee in resolving the question of party style can be seen in the formulation of the "Guiding Principles for Inner-Party Political Life," the struggle waged under its leadership to strike at grave crimes in the economic and other spheres and the decision made by the 12th party congress to carry out all-round consolidation of party organizations and rectification of party style. The majority of party members also urge that further efforts be made to straighten out the style of the party and remove the dirt from the body of our party. The determination of the party Central Committee and the vast numbers of party members constitutes an irresistible force and a fundamental guarantee for the success of party consolidation and rectification. Facts show that the style of the party has improved compared with the past few years and will continue to improve. It is groundless to doubt that we can effect a fundamental change for the better in the style of the party. It is also completely wrong to take a passive and pessimistic attitude toward the dark aspects of the party.

The 12th party congress decided on an overall rectification of party style and consolidation of party organizations, which will proceed by stages and by groups over a period of 3 years beginning from the latter half of 1982. This is an important measure for effecting a fundamental turn for the better in the style of the party and a fundamental guarantee for the persistence of the socialist road. Everyone knows that the consolidation of party organizations and rectification of party style is the successful experience gained by our party in strengthening itself. The Yanan rectification movement of 1942 enabled the whole party to achieve unprecedented unity and solidarity ideologically, politically and organizationally and laid the foundations for winning the new democratic revolution. Now we are going to carry out another party consolidation and rectification under new historical conditions. It will be no less significant than that of the Yanan rectification movement. Of course things are different now. The forthcoming party consolidation and rectification is aimed mainly at resolving the question of whether party members are qualified or not. It is true that some of our party members do not meet the requirements and cannot set an example for the masses. Some party members simply do not have communist ideals; some take advantage of their position to encroach on the interests of the masses, the collective and the state; some even take bribes, pervert justice and become overlords who ride roughshod over the masses. Through consolidating the party organizations and by adhering strictly to the new party constitution, we should expel from the party those who still fail to meet the requirements for membership after education, or ask them to withdraw from it. At the same time, party organizations at all levels and all party members should be told to strictly carry out the provisions of the new party constitution. In this way, there will be a marked change in the image of party members and cadres among the masses, the party will take on a new look in the eyes of the people of various nationalities throughout the country and the party's fighting capacity and leadership role will be greatly strengthened.

The consolidation of party organizations is a matter of primary importance in party building at present. It must be carried out step by step and in a planned way in accordance with the principle laid down by the Central Committee. In matters of organization and leadership, the consolidation will start with the leading organs and cadres and then proceed, from top to bottom, to consolidate the leading bodies at different levels and effect an improvement in the work of party organizations and the method of leadership at all levels. In the course of consolidating party organizations, it is necessary to follow the principles of "learning from past mistakes to avoid future ones and curing the sickness to save the patient" and "clarity in ideology and unity among comrades" in unfolding criticism and self-criticism. In the final stage, there will be a reregistration of all party members. Although the all-round consolidation of party organizations will not start until the latter half of next year, there are problems which ought to be tackled now, such as the consolidation of leading bodies and the combating of serious crimes in the economic field. We must attend to these problems in earnest and must not leave everything until the all-round consolidation of party organizations begins. At present, we must conscientiously study the report of the 12th party congress and the new party constitution in conjunction with the study of the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" and the "Guiding Principles for Inner-Party Political Life" and make ideological preparation for the consolidation of party organizations and the rectification of party style.

/In studying the summing-up of the report, we must lay stress on understanding the following: 1) The various fighting tasks confronting the party and the fact that we are bound to win; 2) the correct handling of difficulties; and 3) the need to forever uphold the principle of combining the universal truth of Marxism with the actual conditions in our country./

The general task set by the 12th party congress for our party in the new historical period is to unite the people of all our nationalities in working hard and self-reliantly to achieve, step by step, the modernization of industry, agriculture, national defense and science and technology and building our country into a socialist country with a high level of civilization and democracy. In accordance with the requirements of the general task and proceeding from present conditions, we must concentrate on grasping four tasks in the period to come. First, we must systematically complete organizational reform and the reform of economic systems. Second, we must go all out in building socialist spiritual civilization. Third, we must hit hard at the serious criminal activities undermining our socialist economy and socialist system. Fourth, we must rectify the party style and consolidate the party organizations. In the coming 5 years, we must effect a fundamental turn for the better in the financial and economic situation, in the standards of social conduct and in party style. In addition to the above-mentioned tasks, our party faces yet another historic task, that of working hard to achieve the sacred task of reunifying our motherland. At the same time, we must continue in our struggle to oppose imperialism and hegemonism and safeguard world peace. These are the lofty tasks of creating a new situation in all fields that lie before us. All these tasks reflect the common interests and demands of the people of all nationalities throughout the country. They accord with the desires of the people and the tide of history. Provided that we act according to the principles laid down by the 12th party congress, we will definitely be able to accomplish the abovementioned fighting tasks. Our future is that our modernization and reunification will definitely succeed.

Fulfillment of the fighting tasks set by the party is by no means easy and will not be plain sailing. We are bound to encounter all kinds of difficulties. The attitude we take toward difficulties has an important bearing on whether or not we can accomplish the party's tasks. If we overlook the difficulties, overestimate our subjective will and power and act blindly and rashly, we are bound to run up against a brick wall. If we see nothing but difficulties, lose faith in the strength of the party and the masses and waver and procrastinate, we will accomplish nothing. The correct attitude should be to go among the masses and dig into actual work, forge ahead in the struggle with added vigor and fight indomitably and indefatigably. In the course of study, we must take a correct attitude toward work tasks and difficulties and ponder over the question of how to better accomplish the tasks given us by the party in the light of our actual thinking and work.

We must integrate the universal truth of Marxism with China's actual conditions, follow our own road and build socialism with distinctly Chinese features. This is a basic conclusion drawn by our party after summing up historical experience over the years. In order to achieve this integration, we must promptly and correctly unfold the struggle between the two lines, oppose "left" and right tendencies wherever they appear and guard against and overcome all erroneous tendencies which deviate from the correct path. We must conscientiously study Marxism-Leninism-Mao Zedong Thought and use the overall view of materialist dialectics to overcome the one-sided metaphysical approach of jumping from one extreme to another and shifting from one tendency to another. If comrades of the whole party can persevere in learning from the stand, viewpoint and method of Marxism, persist in going deep into the realities of life to conduct investigation and study and correctly implement the line, principles and policies of the party, the fighting tasks set by our party will definitely be fulfilled.

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HOW CAN WE SAY THAT IT IS POSSIBLE TO QUADRUPLE INDUSTRIAL AND AGRICULTURAL PRODUCTION VALUE BY THE END OF THIS CENTURY?

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[Article by Zhao Qi [0340 0366]]

[Text] In his report to the 12th CPC National Congress, Hu Haobang said that the target for which our economic construction should struggle from 1981 until the end of the century is to quadruple industrial and agricultural production value on the premise of constantly improving economic efficiency. Such a glorious target will encourage the people and is perfectly feasible. Some comrades feel that such a target is similar to those of 1958 and 1978--totally divorced from reality--and they are doubtful of being able to realize it. How then should we look at this question?

1. We should look at it in terms of historical conditions. In 1958 and 1978 economic construction was not in fact taken as the nucleus of the party's work, nor were the relations between politics and economics correctly handled and positioned. At that time appreciation and understanding of the rules of socialist construction was not very great, while economic construction quotas manifested a good deal of subjective arbitrariness. The situation today is completely different. After the third plenary session of the party the focal point of the party's work was transferred to socialist modernized construction. With a guiding ideology we completed the restoration of order out of chaos, corrected the longstanding "leftist" mistakes that had been hindering economic development and, on the basis of summing up all our positive and negative experiences, we created a correct party line with correct policies and direction. The party's appreciation and understanding of the rules of socialist construction increased greatly in comparison to before, while all-round experience grew as well and consciousness and support of the implementation of correct party policies and plans also improved enormously. Economic construction was carried out under the collective guidance and leadership of the party Central Committee while major policies and tactical targets which embodied the collective wisdom of the entire party were thoroughly examined and investigated before release.

2. We should look in terms of the content of the targets. The quadrupling mentioned in the 12th national congress is a target with overall balance

unlike those previous ones which displayed ignorance of the rules of proportional development and the need for overall balance. Quadrupling takes the raising of economic efficiency as its premise and not only demands that both efficiency and speed unite together but, at the same time, it ensures further state construction and improvements in people's living standards. Such a target is comparably better than past ones which one-sidedly strove for quantity and production value, ignoring the targets of quality, efficiency and benefit.

3. We should look at the question in terms of the possibility of realizing the target. In the past, high targets were unrealizable because they were so divorced from reality. The quadrupling laid out in the 12th national congress is based on objective studies. During the years from 1953 to 1981, despite the 10 years of social disorder and destruction and mistaken guidance in economic work, there was still an annual average rise in industrial and agricultural production value of 8.1 percent. To reach quadrupling, we only need a continued average annual increase of 7.2 percent. Why is it that what we were able to do in the past is not possible today? Of course, we should remember that the base figures we start with today are much higher than those in 1953 and the absolute figures included in every 1 percent increase today are much more, thus making things that much more difficult. Nevertheless, we should remember that present favorable conditions are much more numerous than in the past. In addition to the favorable conditions of politics and ideology mentioned above, the 30 years of socialist construction that we have experienced have provided us with a very good foundation of material technology and we have already established an independent and relatively complete industrial system and system of national economy. In 1980, industrial production value represented 69.9 percent of total industrial and agricultural production value as compared with 43.1 percent in 1952. The number of industrial enterprises expanded to a figure of 370,000 with a wide range of differing fields, and as the overall arrangement of industry grew constantly better, some important industrial products leapt into a world ranking position. Conditions in agricultural production also saw definite improvements. We gained a batch of management personnel and technicians who have made remarkable achievements, in the areas of science and technology. In 1981 all of China's work units working under the system of ownership by the people possessed a total of 5,714,000 natural scientists and technologists, an increase of over 12 times the figure for 1952. Such are the favorable conditions we have for achieving a quadrupling of production value in industry and agriculture by 2000.

It should be remembered that the development potential of China's national economy is still enormous and some present important targets which reflect economic benefits are not only lower than those of economically developed countries but they are also lower than some of the best economic levels reached in China in the past. If we inspire enthusiasm in every area and trust in governmental policies and the fact that technological improvements and advances will be able to unearth the enormous potential in enterprises, then we will be able to greatly increase economic benefits and speed up construction with little or no increases in equipment, raw materials, energy or manpower.

Some comrades pointed out that in 1981, industrial and agricultural production value only grew 4.5 percent over the previous year and that other figures in recent years are not much higher. Therefore, these comrades question whether quadrupling is actually a feasible target to set ourselves. We should not take an isolated and static point of view to examine this question. Over a 20-year period, the annual average increase stands at 7.2 percent, but this does not imply that we want to reach this figure immediately. We are saying that is to be seen as an average. During these 20 years, the first 10 displayed an annual average increase of less than 7 percent, while the final 10 years had increases of more than 8 percent. In this way, we will be able to achieve quadrupling by the end of this century.

Speed of development during the first 10 years will not be very great, and the reason is that the backward situation concerning energy and communications, which are restricting the development of China's economy, needs a long period of time before it may see any improvement. Because of a lack of funds and scientific personnel, original key technology projects and improvements in enterprise technology have so far only been carried out in only the most important areas and schemes have not expanded into wider spheres. The development of science and technology, training of technical personnel, etc., also all involve specific processes. Over a long period in the past, imbalances in the national economy and irrationalities in product structure, enterprise organizational structure and the economic management system that existed all required the expenditure of a great deal of time and energy for readjustment and restructuring. The 12th CPC National Congress suggested tactical deployment split into two main parts and drew up a series of measures and important principles designed to solve problems which will arise during the first 10 years.

After the first 10 years of readjustment the national economy will have sorted out the relations between all feasible areas and the delayed aftereffect will be enormous, resulting in the last 10 years' development speed far surpassing that of the 1980's. This is because:

1. In the second 10-year period readjustments to the economic structure, including interenterprise and internal enterprise readjustments, will have been to a large extent completed. The economic management system will also have reached an essential rationale and enterprise management and administration will by that time be on the right track, meaning that socialist spiritual civilization will be able to achieve even greater results and the enthusiasm of every region, every enterprise and all the workers will have been activated to even greater extents. As a result of these factors, today's enterprise will greatly increase production power and raise quantity and quality at the same time it moves toward raising economic benefits and efficiency to these future levels.

2. There will be large-scale increases in energy in the last 10-year period. As technology progresses and develops there will be huge decreases in energy consumption. At present, China's use of energy is not very efficient but the potential for economizing is enormous. Annual consumption of

standard coal in China is about the same as in Japan, but our production value as a result of such consumption is about one-fourth that of Japan. Of course there are some factors which make the situation not so easily comparable, for example the make-up of energy supplies differs, so does the make-up of our products. But according to projected statistics, if by the end of this century the production technology of the most important sectors of China's industries is able to reach the level of present-day economically developed countries, then product-producing enterprises and work units will be able to cut their consumption to half of the present amounts, and for every 1 percent increase in production value there will be only an 0.5 percent increase in energy consumption. This is of extreme significance to the elevation of industrial production value.

3. As science and technology develop, the accuracy and precision of workmanship of products will increase as well, thus products will rise in quality and increase in variety, and all this will in turn increase the value of the products. The present utilization ratio of China's crude oil is very low and it should be remembered that economically advanced countries, by processing crude oil into petroleum product, are able to increase prices 10 times and an additional 10 times when further processing produces end products with petroleum bases. In other words petroleum-based end products have a value 100 times that of crude oil. Obviously our potential in this area is enormous. The same quantity of raw material at that time will be able to produce twice as much as, or several times as much as or even several times 10 as much production value as now. Thus quadrupling does not by any means demand quadrupling of all products in terms of quantity. Some products, such as oil, need only be doubled in production value while the end products processed from the oil will produce production values far in excess of any quadrupling.

4. Some newly established areas of industry such as electronics, nuclear energy, oil refining, etc., will all see much faster development during the second 10 years, and this will bring about large-scale increases in quantity as well as production value increases.

The few topics discussed above are all intimately linked with the development of technology. It would be impossible to bring about this quadrupling by using old equipment, old technology, old raw materials and old products. What is of utmost importance is our reliance on the development of science and technology. Today, China's industrial production technology is similar to that of economically advanced countries during the end of the 1950's and early 1960's. Today's science and technology in these economically advanced countries have made their most significant advances only in the last 20 years or so. So starting from now we must use the next 20 years to overtake levels that economically developed countries achieved in the last 20 years in certain areas. Not only is this possible but it is something we should achieve, and to look at the situation in this way provides us with the means to achieve the quadrupling of the industrial and agricultural production value.

CSO: 4004/11

WHY IS IT THAT PEASANT INCOMES SHOULD NO LONGER BE INCREASED MAINLY BY RAISING THE PRICES OF AGRICULTURAL PRODUCTS?

Beijing RED FLAG in Chinese No 21, 1 Nov 82 pp 47-48

[Article by Xu Ke [6079 2688]]

[Text] With the exception of low production areas and regions that have suffered natural disasters, the last few years have seen general increases in peasants' incomes with obvious improvements in standards of living. The reasons for the relatively fast increases in peasants' incomes, apart from increases in production, are mainly because since 1979 the state has been increasing the selling prices of grain and other agricultural products on a fairly large scale. During the 28-year period from 1950 to 1978 the price of agricultural products rose by 117.4 percent, an average annual increase of 2.8 percent. In the 3 years from 1979 to 1981 prices of agricultural products rose by 38.5 percent, showing an average annual increase of 11.5 percent. In 1981, sales of agricultural products far surpassed income for 1978, reaching 19,800 million yuan, mainly because of increases in brand prices and an extension to the spheres of negotiated prices and the limits of surplus prices. Thus the 1981 income averaged out to 34 yuan for every peasant. All this was very beneficial to promoting the development of agriculture, improving the standards of living of the peasants and activating the peasants' enthusiasm. From a long-term point of view, it is still possible to carry out readjustments in the price parities between industrial and agricultural products but in the future lengthy period of peasant income increases we can no longer rely only on raising the prices of agricultural products, nor can we rely on decreases in requisition by purchase or increases in the scale of negotiated prices. Why is this?

We know that no matter whether we raise the prices of agricultural products to the limits of negotiated prices, at the same time that state purchases of agricultural products rise, expenditure will also necessarily increase. In other words, whereas before the state relied on agricultural commodity exchange to ensure stable prices, from which the peasants received a portion of their income, now it relies on raising prices and this increase again is returned to the peasant. At present China is in the process of carrying out readjustments and therefore needs concentrated funds for essential construction work. Most of these funds come from taxes and the profits of state-run enterprises handed over to the state. However, it is also necessary that the peasants furbish a portion of this accumulation. If there is no relatively large-scale increase in the labor production rate within an industry and we continue to raise the prices of agricultural products and enlarge the limits of negotiated prices and drop the amount of requisition by purchase, then the concentrated funds from the peasants will be reduced by the state, thereby affecting modernized construction. This is not in keeping with the essential benefits of the people of the entire country, including the peasants.

In terms of the present state of the country's finances we cannot permit continued price increases of agricultural products. Our country's economy is at present in the middle of readjustment and annual increases in national income are not large. In terms of the financial management system, expansion of regional and enterprise financial autocracy has meant less profits received by the state from enterprises in the last few years. This has resulted in continued decreases in national revenue. Furthermore, government expenditure has shot up in some areas. As far as government subsidies on essential items and some agricultural products are concerned, the 1978 figures stood at 7,800 million yuan, while after some prices of agricultural products had been raised in 1979, the figure in 1981 reached 32,000 million yuan, representing 30 percent of the year's financial revenue. If the selling price of agricultural by-products remains stable but the purchasing prices of agricultural products continue to rise then state finances used to subsidize these prices will also continue to rise and with no large-scale increases in state revenue, the state financial department will find it extremely hard going.

The extremely fast increases in consumer funds do not suggest that increases in agricultural products purchasing prices are a good idea either. In recent years, the incomes of the people both in cities and in the countryside have improved considerably while standards of living have also improved to varying degrees. Nevertheless, we must appreciate that these improvements in the standards of living in urban areas and the countryside have taken place despite the lack of large-scale increases in state revenues. During the Cultural Revolution our handling of the relations between economic construction and the people's livelihood was not good, with accumulation rates reaching levels which were too high, thereby putting pressure on consumption by the people. In order to change this situation the state has been lowering the accumulation rate over the last few years and using nearly all of the new increases in state revenue to improve the standards of living of the people. Such actions as these are only feasible on a short-term and limited time scale. Accumulation is the very source and wellspring of extended reproduction and without accumulation it would be difficult for production to develop, and thus the standards of living of the people, both in urban areas and in the countryside, would not improve. In order to achieve "food" and "construction" we can no longer rely on reducing accumulation funds. As from today standards of living will continue to improve but increases in workers' average wages should be kept on a par with rises in labor production rates. Increase in peasants' incomes should for the most part depend on the development of production, the lowering of production costs and improvements in labor production rates.

CSO: 4004/11

HOW SHOULD WE UNDERSTAND THE NOTION THAT THE SOCIALIST CHARACTER OF SPIRITUAL CIVILIZATION IS DECIDED BY IDEOLOGICAL EDUCATION?

Beijing RED FLAG in Chinese No 21, 1 Nov 82 p 48

[Article by Wu Hong [0702 4540]]

[Text] The establishment of socialist spiritual civilization includes the establishment of both culture and ideology. The establishment of culture provides the foundations of culture and knowledge necessary for ideological construction. In a socialist system, raising the levels of development of education, science, culture, etc. benefits greatly the elevation of ideological consciousness and socialist morality and plays an important role in helping to study and grasp the theories of Marxism, as well as the reception of communist education. However, the socialist character of spiritual civilization is by no means decided by the scale and level of development of cultural construction, but is instead decided by ideological construction.

The contents of ideological construction guide the developmental direction and developmental extent of society's political ideology and moral thinking. The ideological construction mentioned in the move toward the establishment of socialist spiritual civilization during the 12th CPC National Congress includes six main areas and all in all the most important are revolutionary ideals, morality and discipline. Here, then, the teaching of communist ideology becomes the nucleus for ideological construction and cultural construction must develop under the direction of communist ideology. This is an innate characteristic of socialist spiritual civilization and it is the essential trait that separates socialist spiritual civilization from other kinds of social spiritual civilization. Socialism is the first stage to communism and not only should the productive forces have reached a fairly well-developed level but the people should also have fairly high ideological consciousness and morality. The limitless development of the people's consciousness is one of the most important things that separates socialism from capitalism. Although material production in highly developed capitalist countries is well developed, at the same time one still finds widespread decadence, corruption and degeneracy within social and spiritual life in such countries. In China, the most important part of ideological construction is to teach people to establish communist ideals and morals and mold these into their world views. In addition, it is important to teach people to make the realization of socialist modernization their own personal task and to encourage them not to fear hardship, nor death, to think of people in general and not of themselves and to stress selflessness as well as a total spiritual and physical commitment to serving the people and thereby strengthening organization and discipline. Communist ideology as the nucleus of ideological construction plays an important role in the construction of socialist spiritual civilization and also decides the socialist character of the spiritual civilization.

Socialist ideological construction corresponds exactly to the socialist systems of economy and politics. The socialist society has eradicated exploiters and cases of suppression by making the public ownership of the means of production the replacement of private ownership and taking this as the economic foundation of socialist ideological construction. Upon this foundation, the common ideals and aims of the workers are formed, as well as the common moral principles and standards of behavior. Furthermore, from this basis the mutual unification, assistance and love between people, which represent new social relations, establish and develop themselves. An economic system with socialist public ownership requires that the workers display collective ideology and establish an attitude of being masters of their world. Furthermore, the state power of the people's democratic dictatorship provides important conditions for the development of socialist ideological construction, the strengthening of communist education and the eradication of the influences of bourgeois thinking. In a capitalist system of exploitation the relations between people are undisguised relations of gain and loss, cold-hearted relations of "monetary exchange." Corresponding to this, the system of bourgeois ideology advocates such selfish concepts as "everyone for himself." Such attitudes not only point to exploitation, but also to suppression and cheating. Because socialism and capitalism are not the same, the developmental directions and the nature of their social political ideology and ideals and morals are not the same either and thus the spiritual appearance of the people differs too. This fully illustrates that the socialist character of a spiritual civilization is decided by the socialist system and its corresponding ideological construction.

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A DISCUSSION ON 'RULE BY INACTION'--THOUGHTS ON READING LAO ZI, NOT A STUDY OF HIS PHILOSOPHIC THEORY

Beijing RED FLAG in Chinese No 21, 1 Nov 82 inside back cover

[Article by Li Ming [2621 2494]]

[Text] Lu Xun termed Lao Zi's principle of "do nothing and nothing will be left undone" as the "inflated words of a disciple" and "high-sounding but impractical." He ridiculed Lao Zi as one "whose heart reached to the skies but whose life was as thin as paper," really hitting the nail on the head.

The intention of this early philosopher was to abolish "government action." Lao Zi's political view of "inaction" had considerable influence on certain people, an influence reflected in society to this day. Of course, today things are much more complicated than they were in ancient times and cannot be treated in the same way. But comparing the past with the present, it would not be wrong to say that there still exist the "inflated words of a disciple." On the surface, governing by "inaction" would seem to imply a situation in which nothing is forbidden. But in fact it does not mean that nothing be controlled or that we can do whatever we like. This has been proven in the passage in the 5,000 characters which defines a "small country with few people" in which "sages and wisdom have been abandoned." "If you practice inaction, nothing will not be governed." This phrase appears to advocate "inaction" but in fact contemplates "action." Can we not say that this view is a Lao Zi-type advocation of "action"? It is often the case in the world that if one person doesn't do something, someone else will. Otherwise, what is the purpose of taking so much trouble to write so many words? Absolute "inaction" means keeping quiet and not saying a single word.

It is not wrong to let things take their own course; arbitrary "action" doesn't easily produce success. But it is not a good idea to think like Zhong Gongbao and suggest such a policy for "governing a country." Since we may choke while eating, slip when walking, should we simply sit down without moving, and not eat or walk so as not to choke or slip? If all this was really put into practice, I'm afraid it would not only fail to bring an end to war but would also cause people a lot of trouble. The idea of confining people in their own small universe where each enjoys "himself" and everyone lives a free and happy life is only an illusion, because such a view denies the freedom of a whole society to make progress. Would people be willing to work in such a situation? Wouldn't they rise in rebellion?

"Those who understand me are few; those who follow me are precious." Luckily, this old philosopher knew himself, and did not insist on popularizing this view. It was proper for him to go west to Hangu and "finally tread the shifting sands." Sima Qian said that he lived for 160 years, or perhaps more than 200 years. The philosopher also said that the little chief responsible for guarding the Hangu Pass worshipped his philosophy and consequently went along with the old man. Whether true or not, this saying survives.

Historical facts prove that those in the position of governing a country who really understood public feeling were always those who were intelligent and paid attention to reality. For example, in the early days of the famous Han dynasty, when "the monarch and his subjects only wanted to rest and do nothing"; though they "respected knowledge," their thinking was not stagnant. What they "respected" was its spirit. How could it be said that these ministers arbitrarily followed political blueprints, that everyone from the top to the grassroots levels was "resting" and sleeping and practiced "inaction" to the extent that they had not a single active plan for governing the country? There were a number of useful measures conforming to natural conditions, such as "encouraging agriculture," "abolishing exorbitant taxes and levies" and selecting and promoting talents. It was said that "Cao Shen followed the rules and regulations defined by Xiao He." Liu Bang defined 3-part laws after he entered Shanhaiguan. Later, Xiao He studied the laws defined by the Qin dynasty and worked out "9-part laws" to replace the "3-part laws"; it was not easy to define the later laws because they covered much wider aspects. Without laws and rules and regulations, it would not be possible for Xiao He to remain prime minister, nor would it have been possible for Cao Shen, should he want, to become an "idle" and "mediocre minister."

It is a natural historical development to positively "act" according to nature. To do nothing and let things take their own course and become "disciples who talk empty words" may be all right; but in this situation, it will be difficult to "govern a country in peace." Is it really accidental that the globe did not turn around according to the desires of those who advocated ruling the country by "inaction"? Otherwise, would it not be difficult for later generations to write books of theories, summing up the development of the civilization of China over the past 2,000 years and more? Historians and historians of philosophy have criticized the political view of "inaction" as "contrary to history" and "contrary to development" and held that this ideology is far more reactionary than the restorationism of Confucianism, and all the criticisms are basically in agreement.

From a historical point of view, Lao Zi's political ideology of "inaction" was aimed at seeking a way out for the society of his time; it had its own reasons and historical conditions for its emergence. We can in no way put demands on the people of ancient times with today's knowledge and arbitrarily regard them as ignorant and presumptuous; if we do so, we will find it hard to avoid becoming nihilistic. After all, Lao Zi was a wise and great ideologist of ancient times. He acknowledged the contradictions in society at that time and tried to solve them. His valuable philosophical theory represents the ideological level of an era and it has been explained by a great number of people of ancient and present times who have spared no efforts to explain and study the books written by Lao Zi. It is natural to inherit this fine cultural heritage with a critical attitude. But we cannot mechanically compare the past with the present. If we take Lao Zi's view of "inaction" as a yardstick to measure our present era, we will no doubt go against history.

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China Report

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No. 22, 16 November 1982

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CONTENTS

Party Organization and Party Literature (pp 2-4)
(V. I. Lenin) 1

Why Is It Necessary To Modify the Chinese Version of 'Party Organization and Party Literature'? (pp 5-8)
(Office for editing and translating Lenin's and Stalin's works of the editorial and translation bureau of the CPC Central Committee) 6

Have Full Faith in Effecting a Fundamental Turn for the Better in Party Style (pp 9-13)
(Commentator) 12

Party Consolidation Is a Matter of Prime Importance to Our Party (pp 14-19)
(Duan Junyi) 20

Comments on Discussions Concerning Planned Economy and Market Regulation Mechanism (pp 20-22)
(Jing Ping) 31

Safeguard the Socialist Public Ownership of Land (pp 23-26, 32)
(Yi Zhi) 36

Launch the Advanced Producers Movement on a Larger Scale (pp 27-32)
(Yu Yannan) 44

The Party's Cause, the Party's Work on Literature and Art and Nonparty Literary and Art Workers (pp 33-36)
(Qi Fang) 54

Make Great Efforts To Fully Understand the Essence of the Documents and Seek Ideological Unity (pp 37-38)
(Commentary).. 61

Is the Practice of Distribution According to Work Contradictory to the Promotion of a Communist Work Attitude? (pp 38-40)
(Xue Yan)... 64

Why Is It Necessary To Carry Out Communist Ideological Education at the Socialist Stage? (pp 41-43)
(An Tung)... 69

Why Must Plans of a Mandatory Nature Be Enforced With Regard to Important Products and Key Enterprises? (pp 43-44)
(Zhao Mu)... 73

How Do We Carry Out Theoretical Study and Examination? (pp 45-46)
(Propaganda Department of the Jiangxi Provincial CPC Committee).. 76

In Studying the 12th Party Congress We Must Get Firmly to Grips With Its Basic Spirit (p 47)
(Li Ping)... 81

Raise the Communist Spirit, Study Well the 12th Party Congress Documents (pp 47-48)
(XIN CHANGZHENG commentator).................................... 83

The Intellectuals Are a Force on Which the Modernization Program Depends (p 48)
(Zhang De).. 85

Random Talks on Professional Ethics (inside back cover)
(Lin Wenshan)... 87

PARTY ORGANIZATION AND PARTY LITERATURE

Beijing RED FLAG in Chinese No 22, 16 Nov 82 pp 2-4

[Article by V. I. Lenin; passages within slantlines published in boldface]

[Text] The new conditions for social-democratic work in Russia which have arisen since the October Revolution have brought the question of party literature to the fore. The distinction between the illegal and the legal press, that melancholy heritage of the epoch of feudal, autocratic Russia, is beginning to disappear. It is not yet dead, by a long way. The hypocritical government of our prime minister is still running amuck, so much so that IZVESTIA SOVETA RABOCHIKH DEPUTATOV is printed "illegally"; but apart from bringing disgrace on the government, apart from striking further moral blows at it, nothing comes of the stupid attempts to "prohibit" that which the government is powerless to thwart.

So long as there was a distinction between the illegal and the legal press, the question of the party and nonparty press was decided extremely simply and in an extremely false and abnormal way. The entire illegal press was a party press, being published by organizations and run by groups which in one way or another were linked with groups of practical party workers. The entire legal press was nonparty--since parties were banned--but it "gravitated" toward one party or another. Unnatural alliances, strange "bedfellows" and false cover-devices were inevitable. The forced reserve of those who wished to express party views merged with the immature thinking or mental cowardice of those who had not risen to these views and who were not, in effect, party people.

An accursed period of Aesopian language, literary bondage, slavish speech, and ideological serfdom! The proletariat has put an end to this foul atmosphere which stifled everything living and fresh in Russia. But so far the proletariat has won only half freedom for Russia.

The revolution is not yet completed. While tsarism is /no longer/ strong enough to defeat the revolution, the revolution is /not yet/ strong enough to defeat tsarism. And we are living in times when everywhere and in everything there operates this unnatural combination of open, forthright, direct and consistent party spirit with an underground, covert, "diplomatic" and dodgy "legality." This unnatural combination makes itself felt even in our newspaper: for all Mr Guchkov's witticisms about social-democratic tyranny forbidding the publication of moderate liberal-bourgeois newspapers, the fact remains that PROLETARY, the central organ of the Russian Social-Democratic Labor Party, still remains outside the locked doors of /autocratic/, police-ridden Russia.

Be that as it may, the half-way revolution compels all of us to set to work at once organizing the whole thing on new lines. Today literature, even that published "legally," can be nine-tenths party literature. It must become party literature. In contradistinction to bourgeois customs, to the profit-making, commercialized bourgeois press, to bourgeois literary careerism and individualism, "aristocratic anarchism" and drive for profit, the socialist proletariat must put forward the principle of /party literature/, must develop this principle and put it into practice as fully and completely as possible.

What is this principle of party literature? It is not simply that, for the socialist proletariat, literature cannot be a means of enriching individuals or groups: it cannot, in fact, be an individual undertaking, independent of the common cause of the proletariat. Down with non-partisan writers! Down with literary supermen! Literature must become /part/ of the common cause of the proletariat, "a cog and a screw" of one single great social-democratic mechanism set in motion by the entire politically conscious vanguard of the entire working class. Literature must become a component of organized, planned and integrated Social-Democratic Party work.

"All comparisons are lame," says a German proverb. So is my comparison of literature with a cog, of a living movement with a mechanism. And I daresay there will ever be hysterical intellectuals to raise a howl about such a comparison, which degrades, deadens, "bureaucratizes" the free battle of ideas, freedom of criticism, freedom of literary creation, etc., etc. Such outcries, in point of fact, would be nothing more than an expression of bourgeois-intellectual individualism. There is no question that literature is least of all subject to mechanical adjustment or leveling, to the rule of the majority over the minority. There is no question, either, that in this field greater scope must undoubtedly be allowed for personal initiative, individual inclination, thought and fantasy, form and content. All this is undeniable; but all this simply shows that the literary side of the proletarian party cause cannot be mechanically identified with its other sides. This, however, does not in the least refute the proposition, alien and strange to the bourgeoisie and bourgeois democracy, that literature must by all means and necessarily become an element of Social-Democratic Party work, inseparably bound up with the other elements. Newspapers must become the organs of the various party organizations, and their writers must by all means become members of these organizations. Publishing and distributing centers, bookshops and reading rooms, libraries and similar establishments--must all be under party control. The organized socialist proletariat must keep an eye on all this work, supervise it in its entirety, and, from beginning to end, without any exception, infuse into it the life-stream of the living proletarian cause, thereby cutting the ground from under the old, semi-Oblomov, semi-shopkeeper Russian principle: the writer does the writing, the reader does the reading.

We are not suggesting, of course, that this transformation of literary work, which has been defiled by the Asiatic censorship and the European bourgeoisie, can be accomplished all at once. Far be it from us to advocate any kind of standardized system, or a solution by means of a few decrees. Cut-and-dried schemes are least of all applicable here. What is needed is that the whole of our party, and the entire politically conscious social-democratic proletariat throughout Russia, should become aware of this new problem, specify it clearly and everywhere set about solving it. Emerging from the captivity of the feudal censorship, we have no desire to become, and shall not become, prisoners of bourgeois-shopkeeper literary relations. We want to establish, and we shall establish, a free press, free not simply from the police, but also from capital, from careerism, and what is more, free from bourgeois-anarchist individualism.

These last words may sound paradoxical, or an affront to the reader. What! some intellectual, an ardent champion of liberty, may shout. What, you want to impose collective control on such a delicate, individual matter as literary work! You want workmen to decide questions of science, philosophy, or aesthetics by a majority of votes! You deny the absolute freedom of absolutely individual ideological work!

Calm yourselves, gentlemen! First of all, we are discussing party literature and its subordination to party control. Everyone is free to write and say whatever he likes, without any restrictions. But every voluntary association (including a party) is also free to expel members who use the name of the party to advocate antiparty views. Freedom of speech and the press must be complete. But then freedom of association must be complete too. I am bound to accord you, in the name of free speech, the full right to shout, lie and write to your heart's content. But you are bound to grant me, in the name of freedom of association, the right to enter into, or withdraw from, association with people advocating this or that view. The party is a voluntary association, which would inevitably break up, first ideologically and then physically, if it did not cleanse itself of people advocating antiparty views. And to define the borderline between party and antiparty there is the party program, the party's resolutions on tactics and its rules and, lastly, the entire experience of international social-democracy, the voluntary international associations of the proletariat, which has constantly brought into its parties individual elements and trends not fully consistent, not completely Marxist and not altogether correct and which, on the other hand, has constantly conducted periodical "cleansings" of its ranks. So it will be with us too, supporters of bourgeois "freedom of criticism," /within/ the party. We are now becoming a mass party all at once, changing abruptly to an open organization, and it is inevitable that we shall be joined by many who are inconsistent (from the Marxist standpoint), perhaps we shall be joined even by some

Christian elements, and even by some mystics. We have sound stomachs and we are rock-like Marxists. We shall digest these inconsistent elements. Freedom of thought and freedom of criticism within the party will never make us forget about the freedom of organizing people into those voluntary associations known as parties.

Secondly, we must say to you bourgeois individualists that your talk about absolute freedom is sheer hypocrisy. There can be no real and effective "freedom" in a society based on the power of money, in a society in which the masses of working people live in poverty and the handful of rich live like parasites. Are you free in relation to your bourgeois publisher, Mr Writer, in relation to your bourgeois public, which demands that you provide it with pornography in frames [novels] and paintings, and prostitution as a "supplement" to "sacred" scenic art? This absolute freedom is a bourgeois or an anarchist phrase (since, as a world outlook, anarchism is bourgeois philosophy turned inside out). One cannot live in society and be free from society. The freedom of the bourgeois writer, artist or actress is simply masked (or hypocritically masked) dependence on the money-bag, on corruption, on prostitution.

And we socialists expose this hypocrisy and rip off the false labels, not in order to arrive at a nonclass literature and art (that will be possible only in a socialist extra-class society), but to contrast this hypocritically free literature, which is in reality linked to the bourgeoisie, with a really free one that will be /openly/ linked to the proletariat.

It will be a free literature, because the idea of socialism and sympathy with the working people, and not greed or careerism, will bring ever new forces to its ranks. It will be a free literature, because it will serve, not some satiated heroine, not the bored "upper ten thousand" suffering from fatty degeneration, but the millions and tens of millions of working people--the flower of the country, its strength and its future. It will be a free literature, enriching the last word in the revolutionary thought of mankind with the experience and living work of the socialist proletariat, bringing about permanent interaction between the experience of the past (scientific socialism, the completion of the development of socialism from its primitive, utopian forms) and the experience of the present (the present struggle of the worker comrades).

To work, then, comrades! We are faced with a new and difficult task. But it is a noble and grateful one--to organize a broad, multiform and varied literature inseparably linked with the social-democratic working-class movement. All social-democratic literature must become party literature. Every newspaper, journal, publishing house, etc., must immediately set about reorganizing its work, leading up to a situation in which it will, in one form or another, be integrated into one party organization or another. Only then will "social-democratic" literature really become worthy of that name, only then will it be able to fulfill its duty and, even within the framework of bourgeois society, break out of bourgeois slavery and merge with the movement of the really advanced and thoroughly revolutionary class.

NOVAYA ZHIZN, No 12,
13 November 1905
Signed: V. I. Lenin

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WHY IS IT NECESSARY TO MODIFY THE CHINESE VERSION OF 'PARTY ORGANIZATION AND PARTY LITERATURE'?

Beijing RED FLAG in Chinese No 22, 16 Nov 82 pp 5-8

[Article by office for editing and translating Lenin's and Stalin's works of the editorial and translation bureau of the CPC Central Committee]

[Text] There are not many words in the article written by Lenin more than 70 years ago but the influence of the article is very great. Starting from the 1930's, there have been many translations of the article in China. Some have even been included in various versions of special collections of articles on literature and art by the classical writers. However, there are many inaccuracies in some of the crucial places in all the Chinese translations, including the translation by our own bureau. Misunderstandings have been caused. For example, the expression "partiinaya literatura" (the second word comprises literature, documents and publications, but what is meant here is newspapers, periodicals and books). This phrase is translated as "party literature" in all the existing Chinese translations. Such a phrasing could easily give people the erroneous understanding that the cultural and social phenomenon of literature is merely an accessory of the party. Thus, we think it is necessary to check the translation again and correct the mistranslations. In addition, we make a brief explanation of the background against which the article was written, the central features of the article and our translation.

Lenin's article "Party Organization and Party Literature" was written in November 1905 at the climax of the first Russian bourgeois democratic revolution. The people's revolution which was started at the beginning of 1905 reached its climax in the autumn. The political strike throughout Russia in October was an augury of the coming of the revolutionary storm, the people's armed uprising was imminent. Scared by the surging tide of revolution, the czarist government was forced to promulgate a "manifesto" on 17 October. The people were promised certain civil rights and political freedom and that the legislative Duma (parliament) would be called. While the situation of the revolution was rapidly developing at a tremendous pace, Lenin returned to St Petersburg from outside on 8 November to be in direct charge of the work of the CPSU Central Committee. He directed the whole party to comprehensively and profoundly arouse and organize the masses, increasingly promote the consciousness of the democratic force which had the proletariat and the peasants as its mainstay and make preparations in various aspects for the armed uprising. Lenin held that: In order to strengthen the party's leadership in the revolutionary movement, the party's organization work, propaganda work and agitation work must be reorganized to meet the demands of the new situation. No sooner had he returned to Russia than he published the series of such articles as "Party Organization and Party Literature," "The Proletariat and the Peasantry," "The Armed Forces and the Revolution," "Learn From the Enemy," "Revolutionary Office Routine and Revolutionary Action," "The Dying Autocracy and New Organs of Popular Rule," "The Socialist Party and the Nonparty Revolutionism" and "Socialism and Religion" and so on in NOVAYA ZHIZN, the first legal Bolshevik official newspaper. "Party Organization and Party Literature" was one among these articles written at that time. The content of these articles principally analyzed the situation of revolution and the political tendency of the various social forces, expounded the new task of struggle for the Russian proletariat and proposed a new form of work for the Russian Social Democratic and Labor Party [RSDLP].

Before returning to his country, Lenin pointed out in his letter to the RSDLP Central Committee that: Since the situation of revolution develops rapidly, "the time is past for ideological leadership through 'whispering' in secret meeting places and rendezvous with agents! Leadership should be through political literature" (literatura, which here means publications). ("Collected Works of Lenin," Vol 34, p 348) In the past, there was not freedom of speech and freedom of the press in Russia. It was impossible for the party to exercise its ideological leadership through the party's publications. Now, there was this possibility. However, in order to make the party's legal newspaper become the party's publication in reality as well as in name and be able to shoulder the important task of ideological leadership, it was necessary to carry out the necessary reforms in written propaganda work. Lenin's "Party Organization and Party Literature" was written to solve this problem.

In this article, Lenin analyzes the situation in the country and the situation of the party's propaganda through the newspapers and periodicals, proposes the party's principle of publication, discusses the position that the party's written propaganda occupies in the party's cause and the characteristics by which it differs from other work of the party and makes it clear that the relationship between the party and its propaganda organs (the newspapers, periodicals, the publishing houses and the publication departments and so on) is the relationship between the party, the sympathizers of the party and the party members who contribute articles to the party's publications. Lenin makes a penetrating analysis of the characteristics of a writing career. He points out that: "There is no question, either, that in this field greater scope must undoubtedly be allowed for personal initiative, individual inclination, thought and fantasy, form and content." It is least of all subject to mechanical adjustment or leveling, to the rule of the majority over the minority and formulism. In addition, he emphatically criticizes the bourgeois anarchic and individualistic tendencies which attempted to shake off the party's leadership and supervision under the disguise of "absolute freedom of thought and creation."

Lenin repeatedly emphasized that the social democratic publications should become the party's publications and elaborated on the party's principle of publication. Lenin held that: The written propaganda work should become a component of the party's cause; the party's newspapers, magazines and other publications should propagate the party's views with a clear-cut stand. The writers who contribute articles to the party's publications, in particular the party member writers, should maintain unity with the party's views. It is absolutely forbidden to discard the party's views. In order to ensure the enforcement of the above principles, Lenin demanded that party member writers join one of the party organizations. Party organizations were to adopt measures to handle party members who violated this principle or propagated views against the party until they were expelled from the party. Propaganda organs such as newspapers, magazines and publishing houses were to be subject to the party's supervision, report their work to the party and appeal to the workers, the party members and the masses to pay close attention to and supervise this aspect of their work. These views are the central theme and principal features of Lenin's article.

Lenin emphasized the problem of the party character of the publications and the party member writers. This was closely related to the historical stage in which the Russian revolution was to be found at that time, the contemporary social environment and the struggle inside the Russian Social Democratic Party. The 1905 Russian revolution was a bourgeois democratic revolution. The revolution had an extensive social base. In addition to a handful of royalists, there were all kinds of social forces which took part in, supported or sympathized with the revolution. Thus, it seemed that the revolution was a revolution "of the whole people." In order to conceal its interests and purposes, the bourgeoisie spared no effort to disguise itself as the political representative "of the whole people." In addition, the bourgeoisie propagated the supra-class and supra-party "nonparty" ideology and advicated bourgeois anarchic and individualistic ideas such as "absolute freedom of creation" and "freedom of criticism" and so on.

The proletariat and its party took part in the revolution to achieve the party's minimum program. This was of course to pave the way for the development of capitalism, but this was not its purpose. The proletariat took part in the bourgeois democratic revolution in order to thoroughly overthrow the feudal autocratic system, eliminate the remnants of serfdom and create conditions for overthrowing the bourgeoisie in the next step and realizing the socialist revolution. Thus, the proletariat had to maintain its political independence in the bourgeois democratic revolution, the proletarian party had to adhere to a clear-cut party character, criticize the "nonparty" ideology and resist the corrosion of anarchism and individualism.

The above bourgeois ideology was influential inside the RSDLP. At that time, the Mensheviks were a part of the party in form, though politically, they tagged behind the bourgeoisie. In the ideological aspect, they had completely abandoned the struggle against the influence of the bourgeoisie and did not supervise their official publications and party member writers. The "Organizational Program" passed by the 1905 Menshevik Congress did not stipulate that the party member writers must have any relationship with the official publications. Some Menshevik writers published their views, which openly violated the party program, in the publications of the liberal clique. Plekhanov placed himself above the party and published the "Journals of a Social Democrat" by himself. In this way, a situation in which "the publicists are outside the party, above the party" and a situation of "the party unto itself, and the publicists unto themselves" emerged. ("Collected Works of Lenin," Vol 8, p 515) In the NOVAYA ZHIZN, the first legal Bolshevik official newspaper, articles with a mystic flavor and in conflict with the party's world outlook had appeared. Lenin gave an angry reprimand: "Away with writers without party characteristics! Away with superman writers!" Lenin said this in view of the contemporary situation.

Lenin expected that the bourgeois intellectuals who advocated "absolute freedom of creation" would certainly condemn the ideas which he expounded concerning the party's publications. Thus, he devoted much space to criticizing and refuting the arguments for "absolute freedom of creation." 1) Lenin proceeded from "freedom of association," the party's organizational principle and organization discipline to criticize such arguments and clearly pointed out that the party "is also free to expel members who use the name of the party to advocate antiparty views"; 2) Lenin proceeded from the historical materialist principle that all ideologies in the confrontation between the classes and society have class character. He had revealed that the so-called "absolute freedom of creation," which meant the freedom that divorced itself from social class, could not exist in a class society. "The arguments for absolute freedom are only hypocrisy." Precisely in this place, Lenin directly touched upon the problem of the class character of literature and art as a component of ideology. He pointed out that the freedom the bourgeois writers, painters and actresses enjoyed was the dependence on the bourgeoisie in disguise and that nonparty literature and art could only exist in a classless society.

Thus, we can see that Lenin's article does in fact discuss the question of literature and art. In the article, the discussion on writings and the career of writing includes literature and can be applied to literature. This is Lenin's important contribution to the Marxist theory of literature and art. However, when we consider the background in which the article was written when reading through it all, we still cannot say that the question of literature is the article's central feature.

Finally, we would like to say something about the question of translation. The word "literatura" runs through the entire article. The origin of this word is the Latin word "litteratura." It is commonly used in many Western languages. It is a word with more than one meaning. Its important meanings include: 1) It refers to anything put into words in a general sense, meaning written works; 2) it refers to all forms of literary works which means "literature" in a specific sense as said in modern Chinese. In order to distinguish it from other writing, in Russian, the restrictive attribute is sometimes added and the word is written as "khudozhestvennaya literatura" (artistics works, sometimes rendered as artistic literature); 3) it is the collective term for publications in a certain aspect or sphere of knowledge. "Literator" may have the combined meaning of man of letters, writer and author. In modern Chinese, there is no readymade word directly corresponding to these two words. In translating these two words, we can only depend on the different meanings which the two words have in different linguistic contexts to render "literatura" as "documents," "writings," "literature," "publications," "books and periodicals" and "readers" while "literator" is rendered as "writer," "author," "man of letters" and "literary figure" and so on. The expression "partiinaya literatura" appears many times in Lenin's works. What is the meaning of it? When we speak of its form, it means the newspapers, magazines, pamphlets and leaflets published by the party; when we talk about its nature, it means the publications which are subject to the political, ideological and organizational leadership and supervision of the party and which maintain unity with the party's views, meaning that they follow the party's program and constitution and implement the party's policies, strategy and line. As early as in the party building period, Lenin had begun to use this expression. He held that in order to overcome the "handicraft form" in which the small groups conducted their scattered activities and build a unified party, it was necessary to establish a common literature (literatura). In his "A Draft, Program of Our Party" written in 1899, he said: "The need for unity, for the establishment of common literature (literatura), for the appearance of a Russian worers' newspaper arises out of the real situation." ("Collected Works of Lenin," Vol 4, p 201) In 1900, in his "Draft of a Declaration of the Editorial Board of Iskra and Azrya" and "Declaration of the Editorial Board of Iskra," Lenin further explained why "it is necessary to develop a common party literature (partiinaya literatura)," "a common literature, consistent in principle and capable of ideologically uniting revolutionary social democracy." ("Collected Works of Lenin," Vol 4, pp 286, 316) In 1903, Lenin wrote the "Draft Resolution on Party Literature (Partiinaya Literatura)" for the second congress of the RSDLP. In the article, he mentions that there was "the absolute and urgent necessity for a wide production of popular social democratic literature for all sections of the population and for the working class masses in particular." ("Collected Works of Lenin," Vol 6, p 427) The resolution "On Party Literature (O Partinoi Literature)" passed by this congress pointed out that: With the comprehensive development of the labor movement, we should correspondingly make the masses of workers understand the recent target and ultimate goal of the Social Democratic Party as clearly as possible. The resolutions demanded: 1) Run the party's "central official newspaper" well; 2) turn the "Azrya" into the "party's official publication"; 3) "edit and write separate editions of reading materials which are rich in content." ("Collected Resolutions of the CPSU," Book 1, p 57) In June 1905, in his "Preface to the Pamphlet 'Workers on the Split in the Party,'" Lenin pointed out that one of the organizational foundations for the combination of Bolsheviks and Mensheviks was that: "All party publications (partiinaya literatura), both local and central, must be completely subordinate to both the party congress and the relevant central or local organization of the party. The existence of party publications (partiinaya literatura) unconnected with the party is not allowed." ("Collected Works of Lenin," Vol 9, pp 152-153) There are many occasions when Lenin used the expression party publications. However, no more examples will be cited here.

In all the volumes of the Chinese translation of the "Collected Works of Lenin," there are many translations for the expression "partiinaya literatura," which are, in most cases, quite accurate. It is translated as "party books and publications," "party newspapers and publications" and "party publications" and so on. However, in this article, the translation in the past has been inherited, it is translated as "party literature." In classical Chinese, the term "literature" may mean the written philosophical, historical and literary works in a general sense. However, in modern Chinese, the term has a fixed meaning. It refers to the art of language. Thus, it is inappropriate to render the expression as "party literature."

Since Chinese and Russian are two different languages, it is difficult to find words in the two languages which correspond completely with each other. How to translate the word "literatura" is really a difficult problem. Having asked the opinions of many people and made studies on the problem, "literatura" is translated as "publications" and writing" in different contexts in the new translation. In the case in which literature is discussed, the word is still translated as "literature"; "literator" is translated as "author." In this way, theoretical and political writings, political comments and literary creations can be included. This may be closer to the meaning of the word.

Of course, if we examine the question from the angle of translation, there are still shortcomings: 1) Unanimity in translation has not been achieved. There are three translations for the word "literatura" in the same article. 2) In the original, the word has many meanings including the meaning "literature," however, in the Chinese translation, it is rendered as "publications." In this way, it is not obvious that it has the meaning of literature, or it is hard to see that it has such a meaning. In the original, literally, the expression "printsip partinoi literatury" is related to "the party character principle of literature." However, we cannot see the relation from the expression "the party's principle of publications" in the Chinese translation. There are doubtless limitations in translation caused by the differences between the two languages. However, after weighing up the advantages and disadvantages, we should first of all be faithful to the spiritual substance of Leninism. As for the difference in linguistic form, under the condition that the difference cannot be settled by translation, this should be subordinate to the content.

The checking this time has principally corrected the translation of the above key words. In addition, some other inaccuracies in the translation have been corrected. Due to our limited level, it is possible that there are still mistakes. Readers, please criticize them and point them out.

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HAVE FULL FAITH IN EFFECTING A FUNDAMENTAL TURN FOR THE BETTER IN PARTY STYLE

Beijing RED FLAG in Chinese No 22, 16 Nov 82 pp 9-13

[Article by commentator]

[Text] The 12th CPC Congress has affirmed the general task of the party in the new historical period and raised the inspiring call of creating a new situation in all fields of socialist modernization. Based on the demands of the general task of the new period in the 5 years from this congress to the next congress, our whole work in broad outline is to energetically push forward the building of socialist material civilization as well as spiritual civilization, unremittingly strengthen socialist democracy and the legal system, conscientiously rectify party style and organization and strive for a fundamental turn for the better in the condition of state finance and economy, a fundamental turn for the better in social convention and a fundamental turn for the better in party style. The three fundamental turns for the better can be described as the only road in proceeding from present reality toward our magnificent goal. Among them, the one with crucial significance is the fundamental turn for the better in party style.

Precisely because our party is armed with Marxism-Leninism-Mao Zedong Thought, it is a mature and serious party which has been repeatedly tested by setbacks and successes. Therefore, we have not and will not be intoxicated by the successes already achieved or remain stationary in the face of such successes. We hold that there are still many shortcomings, still many difficulties and still all sorts of things which are not as good as expected in our work. Our party is soberly aware of the gap which actually exists between its own position and its object of struggle, and is making great efforts to find practical and effective measures for solving various real problems. In its field of activities, one of the greatest advantages of the political strategy of our party is its skill in grasping the most vital trend and in finding out and firmly holding the basic link which is of decisive significance to the overall situation. Lenin pointed out: "Political events are very confused and complicated. They can be compared with a chain. To hold the whole chain, you must grasp the main link." ("Collected Works of Lenin," Vol 33, p 267) According to him, grasping this kind of link could be described as the "complete art of the politician." To achieve a fundamental turn for the better in the whole work of our party and state at present is one of the basic or vital links described by Lenin.

The report to the 12th party congress reiterated an important thesis put forward by Comrade Chen Yun long ago: The style of a party in power determines its very survival. At the same time, this also has a bearing on the rise and fall of our whole country and nation and on the success or failure of the socialist cause. Our party is the leader of economic construction, the leader of political power and the leader of all aspects of national life and all aspects of socialist undertakings. The line, policies and principles of the party must pass through party members at various levels and through the work and exemplary role of party members found everywhere all over the country before they can be understood and accepted by the broad masses of people and become their immense strength for transforming the world. Therefore, a fundamental turn for the better in the condition of our state finance and economy as well as social convention, even down to the progress and development in various fields of socialist undertakings, cannot be separated from the fundamental turn for the better in party style. This condition also applies to a district, a department or a unit. If the party organization there is strong and united and can implement the line, policies and principles of the party in the light of its own specific conditions and if the party members and especially the party cadres holding leading posts can modestly listen to the voices of the people, serve the people wholeheartedly, put others before themselves, show integrity and public spirit and work diligently and conscientiously with a spirit of dedication, then their work will certainly be very outstanding. Conversely, in places where little or no success has been achieved in work and in places where issues are tangled up and mistakes are often made, some of the reasons for this kind of situation can always be traced to the conditions of party style there. Party leadership is not just issuing instructions and giving orders. It can never be separated from the exemplary vanguard role of the party members and the leading party cadres in particular. If the party members themselves are unwilling to do good work, then it is very difficult to arouse the masses to do so. If the party members themselves are unwilling to correct mistakes, then it is very difficult to help others correct mistakes. This exemplary vanguard role of party members is an unshirkable duty in party leadership and it is an inseparable as well as extremely important part of adhering to and improving party leadership. "To correct others one must first correct oneself." This old maxim expressed by our people is a popular as well as profound truth. In a big country with 1 billion people, as long as the 40 million party members who form the vanguard of the working class and above all the comrades holding leading posts among them are worthy of the historical responsibility entrusted them by the people and if they really can become the quintessence and mainstay of socialist modernization and show a high degree of political consciousness, lofty communist ethics, strict discipline and an ability to cope with work in various fields, then a good work style of everybody united as one from top to bottom and working with one heart and one mind will appear. The broad masses of people will certainly closely unite round the party and will join us in overcoming various difficulties and obstacles on the path of advance, triumphing over all sorts of enemies and making a success of socialist modernization.

The task of effecting a fundamental turn for the better in party style solemnly affirmed by our party at its 12th congress has explained that not just a handful of comrades, but those from the highest leading body to the broad masses of party members have already fully understood its important significance. The party has noticed that inside the Communist Party, an extremely small section of the members, the absolute number of whom is not small, have demonstrated by their own deeds and words that they do not deserve the glorious title of Communist Party members. At present, it is true that inside the Communist Party, there is the problem of ideological and organizational impurity and impure work style. Facts have illustrated that not all veteran party members can in the same way withstand the tests of defeat and success or of bayonets and flattery. Under peaceful circumstances, along with the change of the party's position in the entire national life, certain people with evil designs have used joining the party as the ladder to acquiring personal gains, gratifying their lust for power and enjoying material comforts. Some people with selfish motives and even speculators and careerists, have quite easily wormed their way into the party and quite easily concealed their identity. The effect of the serious damage caused ideologically, politically and organizationally to the party during the 10 years of the "Great Cultural Revolution" can never be eliminated within a short time. A handful of remnant elements are even now unjustly occupying certain leading posts and waiting for an opportunity to make trouble. To those people in the party whose will is not strong, the policy of promoting economic exchanges with foreign countries and livening up the economy at home in recent years has provided them with objective conditions for becoming corrupt. Some party organizations have become weak and lax, and some basic level organizations are paralyzed. A handful of cadres have gone in for bureaucratism, privileged style and factional activities. Some have practiced corruption and graft, engaged in malpractice for selfish ends and committed serious economic crimes. All these have caused great resentment among the broad masses of party members and people, greatly hindered the healthy development of modernization and damaged the image of the party. If such conditions are allowed to exist and spread unchecked, the destiny of the socialist cause would be dreadful to contemplate. This cannot be tolerated by the party and the people of various nationalities.

We should also see that the new historical conditions and task not only require us to clean ourselves and show not the slightest mercy to various unhealthy tendencies, but they also require us to make new discoveries and breakthroughs in the series of work. The party must become the leader of socialist modernization and every party member must advance along the footprints of time. In restoring, upholding and developing the various fine traditions, we must keep on heightening our communist consciousness, open up new fields of knowledge, create new work methods and cultivate a new style.

In short, the accumulated problems left behind over the years have yet to be solved and the gap between the higher demands put to us by the historical tasks and the existing conditions must be filled. This means that we cannot but give the highest priority to carrying out party consolidation step by step in a planned manner. The 12th party congress has decided that beginning from the second half of next year, 3 years will be spent in carrying out a comprehensive rectification of party work style and party organization by stages and in groups. In the party consolidation, we must of course strive to eliminate the dark side, but at the same time, we must also strive to consolidate, develop and keep on opening up the bright side. This decision of the 12th party congress not only has the support of the comrades of the whole party, but it has also further strengthened the confidence of people of various nationalities throughout the country in the party.

Some comrades do not have enough confidence that the party style will make a fundamental turn for the better. They hold that the Central Committee has made repeated injunctions in recent years and even after the "guiding principles for internal party political life" has been transmitted and the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" has been adopted by the 6th Plenary Session of the 11th CPC Central Committee, some people still pay no heed to the instructions of the Central Committee and still stick to the old way of doing things and there is still not much change in the unhealthy tendency of using one's power to seek personal gain among the cadres, including the leading party cadres. In a certain sense, these comrades are soberly aware of the present condition in party style and have an urgent desire to effect a turn for the better in party style as quickly as possible. This is a good point. Compared with the Yanan period and the early period of the founding of the People's Republic, there is obviously still quite a gap in the condition of the present party style in many respects. However, there is definitely an improvement in the present party style compared with the "Great Cultural Revolution" and the 2 years immediately after the "Great Cultural Revolution." It has neither gone backward nor regained its original tempo. The reason why party style has so far not made a fundamental turn for the better only explains the seriousness of the longstanding malpractice and explains the need to make greater efforts because of this, but it cannot illustrate that it is impossible to effect a fundamental turn for the better in party style. All Communist Party members and especially party members holding leading posts, should not only use practical actions to overcome their own unhealthy tendencies, but they also have no right whatsoever to adopt an attitude of cool detachment toward the unhealthy tendencies of other people, or, apart from expressing appropriate indignation, only moan and sigh without doing anything. The important matter is not only in understanding the world but also in transforming the world. Transforming old work style and habits detrimental to the healthy development of the cause of the people, including the phenomenon of improper party style, is the sacred duty as well as responsibility of communists. We believe that even among comrades without sufficient confidence that the party style will make a fundamental turn for the better, most of them still support the line, policies and principles of the party, observe discipline and law and work conscientiously for the people. If these comrades will truly set a strict demand on themselves, uphold principles and wage an effective struggle together with the broad masses of party members and people against the phenomenon of improper party style, the power to carry forward healthy tendencies will be greatly enhanced.

This effecting a fundamental turn for the better in party style in the 5 years from this party congress to the next party congress is not just an inspiring slogan, but is also a solemn fighting task that should and must be fulfilled. This is not something prompted by a sudden impulse or thought up on the spur of the moment, but it is a goal determined by the CPC Central Committee as a result of making careful considerations, centralizing the common aspirations of the comrades of the whole party as well as the people of various nationalities and scientifically analyzing various subjective and objective factors. We can study the possibility and inevitability of this goal from many directions. What this article refers to are only its main points.

1. The leadership of the CPC Central Committee is correct, firm and united. In addition, a Marxist line and a series of policies and principles have been formulated. In the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC," our party has affirmed the criteria for determining important historical rights and wrongs of the last 30 years and in the report of the 12th party congress, further summed up the work carried out since the 3d Plenary Session of the 11th CPC Central Committee and set our various grand tasks in line with objective foundations. After several years of effort, the leading bodies of the state at various levels have been readjusted, restructured and improved. Generally speaking, the power of leadership of organizations at various levels has already been basically placed in the hands of cadres loyal to the party and the people.

2. The masses of Communist Party members, regardless of whether proletarian revolutionaries of the older generation or comrades who joined the party at different periods after the founding of the People's Republic, including most of the comrades who joined the party during the "Great Cultural Revolution," have all stood severe positive and negative tests and they have learned much from history and actual practice. The party is making progress, and the party members are also making progress. Since the 3d Plenary Session of the 11th CPC Central Committee, the masses of party members have resolutely implemented the line, policies and principles of the party, worked together with the masses in labor, work and battle posts and played the hardcore role and exemplary role in the building of socialist material civilization as well as spiritual civilization and in the struggle against unhealthy tendencies and criminal activities. This is the main aspect of the ranks of our party.

3. The state is beginning to take the road to a truly healthy socialist system. Various laws, decrees and regulations for promoting orderly production, work and study as well as normalization of all aspects of social life have been promulgated or are being formulated and have been made more and more complete. We have already the first set of criminal law as well

as law of criminal procedure since the founding of the People's Republic, and the fifth session of the Fifth National People's Congress will also approve the new party constitution. We should say that how to become a qualified citizen, a qualified party member and a qualified party cadre is no longer restricted to a general appeal, but we have a series of clearly defined provisions imbued with the binding force of law and party regulation which can be followed. The party upholds the principle that party members and nonparty members are all equal before the state law and all party members are equal before the party constitution. On the basis of carrying out full investigation and study and respecting facts, we have adhered to the chosen course of safeguarding the interests of the people as well as the political dignity of the party and seriously dealt with many cases of violation of law and discipline.

4. As our party is in the position of leading the political power as well as all aspects of work of the whole country, the question of party style is particularly important for it has a bearing on the party and the masses. Under the difficult circumstances of the revolutionary war and peaceful construction in the 60 years since its founding, our party has developed a profound feeling for the people of various nationalities in China. The people warmly love, respect and trust the party and they place great hopes on the party. If we apply to China the words which Lenin used in appraising the Bolshevik Party, then we can say that the great CPC has indeed become the wisdom, honor and conscience of our era. The line, policies and principles of the party in recent years have greatly heightened the socialist enthusiasm as well as initiative of the masses. These lines, policies and principles have been formulated by our party by respecting the creative spirit of the people, summing up the experiences of creative labor carried out by the people and complying with the demands of the people and the trend of historical development. Their implementation has consequently produced outstanding results, and they have not only restored but also enhanced the prestige of the party. More and more workers, peasants and intellectuals are supporting the party and more and more people have linked their destiny with the party. Their political consciousness, creative spirit and historical responsibility are increasingly promoted. In this way, in promoting party work and supervising every party member, they play an increasingly important role. This has become a tremendous force for effecting a fundamental turn for the better in party style.

5. Since the 3d Plenary Session of the CPC Central Committee, the focal point of our work has been shifted to the track of building socialist modernization. Just as Marx said: "The coincidence of the changing of circumstances and of human activity can only be conceived and rationally understood as revolutionary practice." ("Selected Works of Marx and Engels," Vol 1, p 17) He also strongly criticized the idealist concept of splitting individual transformation from social development and blindly seeking historical dynamics in spiritual and moral self-perfection. According to the founder of Marxism, only by changing circumstances could the proletariat no longer be "old people" and "in the revolutionary activity of changing circumstances, they will at the same time also transform themselves." ("Collected Works of Marx and Engels," Vol 3, p 234) The

great significance of this strategic policy decision of shifting the focus of work will not only enable all our work to be henceforth placed on the correct track, but it will also inevitably lead to a profound change in the mode of activity and mode of thinking of the whole society including everyone. This inexorable trend of historical development cannot but demand a fundamental turn for the better in party style and also cannot but promote a fundamental turn for the better in party style.

6. The CPC Central Committee not only has resolute determination and careful policies, but also effective measures and clear steps for effecting a fundamental turn for the better in party style. This will be mainly achieved through party consolidation. The report of the 12th party congress pointed out: The overall rectification of party style and consolidation of party organizations can only be achieved on the basis of thoroughgoing ideological education. The consolidation will start with the leading organs and cadres. We must follow the principles of "learning from past mistakes to avoid future ones and curing the sickness to save the patient" and "clarity in ideology and unity among comrades," conscientiously develop criticism and self-criticism and take appropriate measures to solicitate opinions from the masses. In the final stage there will be a reregistration of all party members. We must take necessary organization measures to expel from the party those who still fail to meet the requirements for membership after education. At the same time, we must work out concrete methods to strengthen and improve party leadership so as to effect an improvement in the work of party organizations at all levels. These policies and measures summed up from the experiences of both the positive as well as negative aspects in our party history will certainly produce the desired result in practice.

People are learning from history and from the practice of the 3d Plenary Session of the 11th CPC Central Committee. We can gladly say that the serious damage to the prestige of socialism and Marxism has to a great extent been reversed. The so-called question of "confidence crisis," which created a racket for some time, has not been able to stop the progress of our cause. Apart from a handful of people who stand against the cause of the people, more and more of those among our comrades who lack sufficient confidence of effecting a fundamental turn for the better in party style, will doubtless, after patient and fully convincing ideological education, gradually change in the face of reality. A true communist does not require cheap confidence. He needs actual confidence. The most convincing education is the conscientious implementation of the guidelines of the 12th party congress and the action of the party members and party cadres themselves. On the other hand, we should admit that there has been a dark side in the past in the work of our party and government, there is a dark side at present and there will also be a dark side in the future. However, in the history of the 60 years and more since the founding of the party, the history of the 30 years and more since the founding of the People's Republic and the history of the 4 years since the 3d Plenary Session of the 11th CPC Central Committee, the history has always been that of the bright side triumphing over the dark side and the bright side constantly expanding. This is the history of the glorious chapter written by tens of thousands of party members in their selfless struggle for the liberation cause of the nation and people. The entire history of the past has proved that our people are undefeatable. Precisely the opposite, all enemies and difficulties will suffer defeat before our party and people. During the 10 years of the "Great Cultural Revolution," the Lin Biao-Jiang Qing counterrevolutionary cliques usurped an important part of party and state power and their influence spread all over the country. However, final victory did not belong to them but to our party and people. Judging from the angle of party style alone, no problem has been more serious than that decade in the 30 years and more since the founding of the People's Republic. The situation at present is entirely different from the past. The unfavorable factors are being overcome by us one by one, and more and more favorable factors have appeared. Under this kind of situation, there is no basis whatsoever for losing confidence in the party style making a fundamental turn for the better. We not only must accurately recognize the existing state of affairs, but we must also accurately see the inexorable trend of its development. If we ignore and cannot fully appraise the bright side of our work, or if we are not adept at observing the process of the bright side triumphing over the dark side in life, this at least is a reflection of one-sidedness in understanding. From the 3d Plenary Session of the 11th CPC Central Committee to the 12th party congress and since the 12th party congress, the unremitting progress in all our work is actually playing an increasingly important role in effecting a fundamental turn for the better in party style. This is our reality and this is where our hopes lie.

Effecting a fundamental turn for the better in party style within 5 years is the prerequisite as well as basis for the flourishing development of our socialist cause in the next decade and more. Without the success of these 5 years, we cannot talk about future successes. We should and must, during the fundamental turn for the better in party style, create a new situation in the building of socialist modernization. We profoundly believe that under the guidance of the 12th party congress, the broad masses of party members will struggle resolutely and persistently together with the broad masses of people and make proper contributions in way of changing the ideological and organizational impurity and impure work style in the party at present, and in way of bringing the cadre ranks more in line with the demands of socialist modernization.

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PARTY CONSOLIDATION IS A MATTER OF PRIME IMPORTANCE TO OUR PARTY

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[Article by Duan Junyi [3008 0689 3015]]

[Text] While setting forth the fighting program for the new historical period to the whole party and the people of all nationalities throughout the country, it was solemnly declared at the 12th CPC Congress that: "To achieve a fundamental turn for the better in our party style, the CPC Central Committee has decided on an overall rectification of party style and consolidation of party organizations, which will proceed by stages and by groups over a period of 3 years beginning from the latter half of 1983." This is a matter of prime importance to our party and a pressing strategic task entrusted to it by history since the development of the communist movement. The 1942 Yanan rectification movement was carried out after the historic change of our party during the democratic revolution period, and resulted in greatly raising the Marxist-Leninist level of the whole party and promoting unprecedented unity throughout the whole party. It enabled our party to grow to maturity and thus win victory in the war of resistance against Japan and the liberation war, and establish a new China. The present party rectification is to be carried out after another historic change of our party in the socialist period, and at a time when the party has gained a more mature understanding of the cause of socialist revolution and construction. We are sure that this rectification will heal the deep wounds inflicted on our party by the decade of internal disorder and bring about the fundamental turn for the better in our party style, so that our party will be more vigorous and, in the new historical period, hold high the banner of communism and lead the people of all nationalities throughout the country to achieve a triumphant victory in creating a new situation in all fields of socialist modernization.

In his report to the 12th CPC Congress, Comrade Hu Yaobang's exposition on party rectification and his analysis on the situation within the party was absolutely correct. In the light of my own understanding, linked with the conditions of Beijing municipality, there follow some of my opinions on the work of party consolidation.

The Necessity and Great Significance of Party Consolidation

Our party is the vanguard of the working class, armed with Marxism-Leninism-Mao Zedong Thought. In the struggle to lead the Chinese people in their fight to realize the communist ideal, and through repeated tempering and all kinds of severe tests, our party has gained the mettle and capability to bring about a radical change in the situation. Since the smashing of the Jiang Qing counterrevolutionary clique in 1976, and particularly since the 3d Plenary Session of the 11th CPC Central Committee, our party has accomplished in a few years: the arduous task of bringing order out of chaos in its guiding ideology, achieved major victories in setting things right in its practical work on various fronts and effected a historic change. History has once again proved that the CPC is worthy of its role as a solid core leading the people of all nationalities of China, and is sure to lead this huge vessel of China's socialism to surmount numerous difficulties under all kinds of complicated situations, and brave wind and waves to advance toward the brilliant future of communism.

Why then has the party solemnly set forth the task of party consolidation again, after it has led the people of the whole country in effecting this historic change? What is its necessity, and its great significance?

First, the key to fulfilling the fighting program put forward by the 12th CPC Congress in the new historical period is to consolidate the party well.

Historical experience teaches us that whenever the communist movement has developed to a new historical stage, particularly after effecting a historic change, there is bound to emerge a new period of vigorous development. Under these circumstances, for the sake of creating a new situation able to meet the needs of the new development of history, it is imperative to concentratedly and universally conduct education in Marxism throughout the party, rectify its ideology and style and consolidate its organization, solve all the contradictions that do not comply with the new historic development, arm the whole party with the line, principles and policies of the new period, deepen our understanding, unify our thinking, enhance our fighting capacity and lead the broad masses of people in their struggle to attain the magnificent new task.

The consolidation of the party we are faced with at present has the sole purpose of further eliminating the negative consequences left over by the 10 years of internal disorder, creating a new situation in all fields of socialist modernization and attaining the fighting program put forward by the 12th CPC Congress. In order to attain the three fundamental turns for the better in the state's financial situation, social mood and party style, we must first of all strive to attain the fundamental turn for the better in party style. Because only through consolidating the party and attaining the fundamental turn for the better in party style can we lead the fundamental turn for the better in social mood, which is also conducive to promoting the fundamental betterment of the state's financial situation. In order to create a new situation in all fields of socialist modernization and do a good job in the building of socialist economy, politics and spiritual civilization with communist ideology as its core, it is necessary above all to build well the CPC, which is the core leading our cause, through rectifying party style and consolidating party organization. Under the leadership of the party, only by carrying forward the spirit of creativeness, innovation and forging ahead proper for a party member, setting an example and leading the broad masses of people in fighting with one heart and mind and exerting themselves in the struggle, can we attain the new, great task put forward by the 12th CPC Congress. In working for the four political guarantees of socialist modernization, the fundamental guarantee is to consolidate the party.

Second, in view of the problems existing within the party and the historical conditions facing us, it is imperative to consolidate the party.

Due to the decade of internal disorder caused by the "Great Cultural Revolution," the ideological and organizational building of the party were seriously sabotaged. The party organization of Beijing municipality suffered serious destruction. Through the restoration and consolidation carried out in the past few years, particularly the readjustment carried out at all levels of leadership bodies, the situation has greatly improved. Most of the party organizations and leadership bodies are good, and better than they were. They have resolutely supported and implemented the party's line, principles and policies since the 3d Plenary Session of the 11th CPC Central Committee and made tremendous efforts in the arduous struggle to set things right. They have achieved marked results and played the role of proletarian vanguards. The party organizations of the Shoudu Iron and Steel Company, Beijing coking plant, Beijing optical instrument factory, Beijing machinery factory, Beijing second cotton mill and other units are the outstanding representatives among them. But there still exist a lot of problems of ideology, organization and style in some of the party organizations and leadership bodies. According to an investigation and analysis made on 3,658 party branches in Beijing municipality, less than one-third of advanced party branches were correct in their line, united in their leading bodies and able to play the role of a fighting force. Around 60 percent of the branches were in a mediocre condition, 10 percent were backward, and among them, some branches were in a state of paralysis or semiparalysis. The main problems existing in the backward branches were: 1) Leading members were not united, each had cliques of their own engaged in factionalism, and tried to seize power and blame others; 2) their ideological lines were not correct. They had a cynical and resistant attitude toward party policies, were despondent and did not properly do their work; 3) they made use of their authority to seek private gains and privileges and even formed cliques to pursue selfish interests. They practiced dishonest methods and violated the law and discipline; and 4) they practiced decentralism with regard to the higher levels by doing things in their own way and practiced "what I say goes" toward lower levels. Similar states of affairs also existed to a certain extent in the party organizations of a number of units, and particularly the problems of leading bodies being weak, slack and low in revolutionary enthusiasm were quite serious. It will be impossible to fundamentally restore and enhance the fighting capacity of the party organizations if we do not find a remedy to these cases and treat all of them by consolidating the party.

In view of the conditions of the broad masses of party members, among the 650,000 party members in Beijing municipality, 310,000 joined the party before the "Great Cultural Revolution," 250,000 joined the party during the "Great Cultural Revolution" and 90,000 were admitted to the party after the downfall of the Jiang Qing counterrevolutionary clique. The majority of the party members are good and relatively good. Many of our outstanding party members have played an exemplary vanguard role on various fronts, united the masses in working hard for the socialist cause and firmly stood in the forefront of setting things right. Among them there were people praised by the masses, such as the advanced activist who "worked ahead of time," the "iron man" who continuously worked in the first line down a mine, although he suffered from cancer and was injured while on duty, the salesman who worked for more than 20 years in supply and marketing but remained honest and upright, the forest guard who protected trees for his collective, the fine cadre who wholeheartedly served the people and so on. In 1981, of the 1,027 model workers of the municipality, 818 were party members, 79.6 percent of the total. As Comrade Hu Yaobang pointed out: "All the splendid successes of the party and the people have been achieved precisely through the inspiring example given by such fine core members of the party." This is the main trend among the broad masses of party members. Meanwhile, we must be clear about the fact that due to the remaining consequences of the sabotage caused by the decade of internal disorder and the increasing invasion of bourgeois ideology under the new conditions, there still exist the problems of impure ideology and style among some of our party members; there also exists the phenomenon of decadence, which we must be fully alert to. Some party members resist the line, principles and policies formulated by the party since the 3d Plenary Session of the 11th CPC Central Committee, are doubtful and hesitant about communism; even up to now, some still stick to the ideological system of Lin Biao and the "gang of four" and resent the party; some party members are imbued with bureaucratism and irresponsible in their work or seek for personal privileges by making use of their authority to pursue private interests; some party members practice anarchism and ultra-individualism, and impair the party's organizational discipline, some have carried the decadent and vulgar stuff of the bourgeoisie into the party, as if nothing can be done without inviting people for dinner. They pursue a bourgeois lifestyle and some even engage in smuggling, offering and accepting bribes and engaging in corruption. Although these people were only a few in number, they have seriously corroded the body of the party, impaired the prestige of the party among the masses of people and to an extent affected the people's confidence in the cause of socialism. We must also be aware that nearly 40 percent of the party members of the whole municipality were admitted to the party during the "Great Cultural Revolution." Among them, many still lack training in the party's program and the basic knowledge of the party. They do not understand, or do not fully understand, how to be a qualified Communist Party member. Some party members even say: "Why is it that we party members and not the masses must take the lead in our work?" Some were even admitted to or drafted into the party at the "battlefront" of rebellion and up to the present still fail to conform to the requirements of a party member. There also exist various problems among veteran party members. So, without consolidating the party, it will be impossible to fundamentally change the above state of affairs. We must be aware that due to a variety of domestic and international conditions, the struggle between capitalist corrosion and socialist anti-corrosion will exist for a long time in our country and sometimes even be acute. At present, we have already exposed many shocking facts. Some party members who were not firm enough have been attacked by and succumbed to the material or spiritual "sugar-coated bullets" of capitalism; some others have to a certain extent been corroded by bourgeois ideas and invaded by the trend of bourgeois liberalism. Although we have achieved good results in carrying out education against this corrosion combined with combating serious criminal activities in the economic field, we have still not fundamentally solved the problem. Only through consolidating the party and building a steel wall with communist ideology and strict discipline resistant to the corrosive influence of capitalist ideology, can the vast number of our party organizations become a powerful fighting force and the broad masses of party members become firm, sober-minded and worthy vanguard fighters of the proletariat. Under the conditions of the new historical period, this is a fundamental measure for maintaining the purity and fighting effectiveness of the Communist Party, so that it can maintain an invincible position.

Third, it is imperative to consolidate the party well if the Communist Party in power intends to always keep its revolutionary spirit young.

The position of a proletarian revolutionary political party after seizing political power is quite different from before. This change of position will inevitably bring about a series of new problems in building the party. From the development of the communist movement up to the present, one of the major theoretical and practical problems that must be properly solved is how to always keep the revolutionary spirit of the Communist Party in power and its party members young, how to strive forever for the realization of communist ideals, forever keep in close connection with the masses of the people and forever work for their well-being. At present, the majority of our party members were admitted to the party after it seized power. They have joined the party in a peaceful environment and it is easy for them to be cadres after they have joined the party. After they become cadres, they have power and authority. If they do not work for communism and the well-being of the people but become individualist, then they are bound to make use of their authority to gain advantages from the state, collective and masses, or even form a clique to pursue selfish interests, undermine the foundations of socialism, and turn from being the people's servant to being a lord over them. In the light of the experiences of our party, in solving this problem, we must carefully admit party members strictly according to the stipulations of the party constitution, strengthen education and supervision over them, constantly carry on criticism and self-criticism, strictly observe party discipline, work out all kinds of necessary rules and regulations; we must also conduct large-scale party rectification over a certain period, universally, systematically and profoundly carry out education in Marxism, consolidate our organization and, rectify our ideology and style, raise the quality and level of all party members and expel from the party those members who have morally degenerated and who are still not qualified after education, or persuade them to withdraw from the party. This is an important strategic measure for the construction of the Communist Party in power. Today, at a time when the whole party and the people of all nationalities of our country are working for the great task put forward by the 12th CPC Congress, we have lost no time in conducting party consolidation. This will inevitably have far-reaching historical significance in creating a new situation in all fields of socialist modernization and in the vigorous development of the communist movement in the days to come.

Conditions Are Ripe for Consolidating the Party

After the smashing of the Jiang Qing counterrevolutionary clique, consolidating the party became a historical mission confronting us due to the serious damage to our party caused by the 10 years of domestic turmoil. Without consolidating the party, the situation in which the party's style of work is impure cannot fundamentally change. However, there had to be a process between the needs arising from the development of history and the actual implementation of party consolidation. In the wake of the 12th party congress, the conditions for consolidating the party became completely ripe.

1. We have successfully fulfilled the historical mission of setting the party's guiding ideology to rights. The party's line, principles and policies followed since the 3d Plenary Session of the 11th CPC Central Committee have been proved correct by practice. The thinking of the whole party has been unified on the basis of the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC." The 12th party congress' report and the new party constitution have further explicitly laid down the programs for China's socialist modernization construction and for the building of the party and have stipulated more strict requirements for party members and the basic guiding principles to be followed by the coming movement of consolidating the party. All this has laid a solid ideological foundation for the coming movement.

2. Now we have the firm and unified leadership of the party Central Committee. The leadership of party organizations at all levels is now mainly controlled by people who support the party's line, principles and policies since the 3d Plenary Session of the 11th CPC Central Committee. So long as we make careful and meticulous preparations and conduct proper guidance and organization, the consolidation of the party is guaranteed to develop steadily and healthily along a correct course.

3. The broad masses of party members have a strong desire to consolidate the party, and the masses of the people also cherish great expectations of the coming consolidation.

4. We have been making preparations for consolidating the party in many fields for a long time. Since the implementation of the "principles on

inner party political life," some activities with the purpose of consolidating the party have been carried out step by step to a profound degree in connection with major political study, the implementation of the principles and policies laid down by the central authorities and the reorganization of some leading groups. Taking the work in Beijing as an example, over the past year, the Beijing municipal authorities have conducted discussions on the topic of "serving the people and bearing responsibility to the people" in connection with the study and implementation of the "principles on inner party political life"; they have checked unhealthy tendencies such as spending public money on extravagant eating and drinking, and forming special ties between units so as to facilitate the private giving and accepting of gifts; have inspected education among cadre's children; have required leading groups at all levels to review their work of the last year, and have universally carried out democratic elections in grassroots party branches. Recently, Beijing also carried out activities opposing the corruption of capitalist ideology and strengthening education in communist ideology. All this embodies the spirit of rectifying the work style of the party. The education in consolidating the party has been consciously carried out in all these activities. In fact, they were all preparatory measures for consolidating the party. Especially in the recent education on the subject of opposing corruption, all party members in Beijing have received training in rotation. Among the party cadres at county, district and bureau levels, 569 people have given party lectures, accounting for over 40 percent of the total number of cadres at this level. Besides this, more than 5,000 leaders of grassroots party committees have given party lectures. A good start has been made on the whole party concentrating on party building throughout Beijing. Though these education activities differed in scale and depth, they all provided important ideological, organizational experience and public opinion preparations for consolidating the party. On the basis of studying the 12th party congress documents and through experiments in some units and the summing up of experience, these activities will be developed into the official consolidation of the party in a methodical way.

We Must Fulfill the Task of Consolidating the Party With High Standards and High Quality

How shall we do a good job in consolidating the party, in accordance with the stipulation of the new party constitution and the requirements on consolidating the party set forth in the congress report and in connection with the conditions in Beijing?

First, we must clearly realize the objective and requirements of this movement of consolidating the party.

The new party constitution has set forth more stringent demands on party members and has laid down explicit stipulations on enhancing the fighting power of party organizations, upholding and improving the party's leadership. This should be taken as a yardstick in consolidating the party. In line with this yardstick, we will carry out an overall rectification of the work style and organizations of the party and turn party members into ones who are qualified and conform to the requirements of the new party constitution. At the same time, we will effectively improve the state of affairs in party organizations at all levels so as to turn grassroots party organizations into staunch fighting bastions which conform to the requirements of maintaining good relations with the masses laid down in the new party constitution and turn leading groups at all levels into cores of leadership in conformity with the requirements of the new party constitution.

Since the coming consolidation of the party will be an overall rectification, according to the stipulations of the new party constitution, its main specific requirements in all aspects should be as follows: In the field of ideology, party members and cadres should be required to bear in mind that the objective of struggle is communism and that the principle is to serve the people wholeheartedly. They will be required to eliminate the bureaucratic style of work and mentality of enjoying privileges which can easily appear among party members and particularly party cadres. The shameful conduct of abusing powers to seek private interests and encroaching upon the interests of the state, the collectives and the masses for private benefits as well as the unhealthy tendencies of violating the people's interests and divorcing oneself from the masses should all be criticized and overcome. Party members and cadres will be required to form a communist attitude toward work, a revolutionary spirit of selflessness and to carry forward the revolutionary spirit of being ambitious and willing to do pioneering work, making innovation, and being dedicated. They should be willing to sacrifice all their personal benefits and struggle for communism all their lives. In the field of politics, party members and cadres are required to maintain a political stand in line with that of the party central leadership, to uphold the four basic principles, to correctly implement the party's line, principles and policies since the 3d Plenary Session of the 11th CPC Central Committee and to struggle for the great tasks set forth by the 12th party congress. The problem that some party members and organizations refuse to implement instructions issued by the central authorities and take a dissenting attitude toward the party for feigning compliance while acting in opposition should be solved. In the field of organization, party organizations at all levels will be consolidated and perfected. Party members and cadres will be required to uphold the principle of democratic centralism. The party's collective leadership will be strengthened. The practice that one person decides everything, and that of decentralism, will be opposed. The spirit of uniting people from all corners of the country will be carried forward so as to strengthen party unity and oppose the sectarianism within the party. Party discipline must be strictly enforced by strengthening the attitude of bearing in mind the party's interests. Extreme individualism, anarchism and all kinds of illegal behavior will be criticized and eliminated. It is absolutely impermissible to maintain the following people in the leading posts: those who gained their powers through rebellion; those who harbor a seriously sectarian attitude; those who have participated in beating, smashing and looting; those who oppose the line taken by the party central leadership since the 3d Plenary Session of the 11th CPC Central Committee; and those who have committed various serious criminal activities. These people will be dealt with one after another once they are discovered still to occupy leading posts. In the field of work style, party members and cadres will be required to restore and carry forward the party's good tradition and the three major styles of work namely, combining theory with practice, maintaining close ties with the masses and carrying out criticism and self-criticism. The dirt of subjectivism and bureaucratism as well as the bad style of casting aside principles, concealing faults and glossing over wrongs, boasting and toadying and fearing to offend other people should all be eliminated. At the end of this movement, when party members are asked to register, we must strictly follow the new party constitution's stipulations and expel those members who fail to meet the requirements even after education, or persuade them to withdraw from the party.

Second, the work of consolidating the party must constantly uphold the correct guiding principles.

In the history of our party, there exist rich experiences in both positive and negative aspects. We should carry forward the spirit of the Yanan rectification movement and adhere to the principles of "learning from past mistakes to avoid future ones and curing the sickness to save the patient" and "achieving the two-fold objective of clarity in ideology and unity among comrades." When approaching party members who have committed errors, we should, starting from the desire for unity, through serious criticism and self-criticism and by adopting suitable ways to listen to the opinions of the masses outside the party, help them genuinely realize and correct their mistakes so as to achieve unity on a new basis. We must prevent and oppose the erroneous principle and method of "cruel struggle and merciless blows" which have in the past been used by the party. Furthermore, we must prevent evil persons from taking advantage of this opportunity to frame up and attack good comrades. At the same time, we should also prevent perfunctory attitudes which makes the movement a sham.

Third, the work of consolidating the party must be brought under the leadership of the party central authorities, must be treated very prudently, be prepared in a very meticulous way and be carried out in a planned and methodical manner.

According to conditions in Beijing city, our initial plan is first to organize party members and cadres to seriously study the 12th party congress report and the new party constitution and then go in for consolidation in the fields of ideology and organization on the basis of general education. We will start work in some selected units to gain experience this winter and next spring. The overall movement will start in the second half of next year by stages and groups in a planned and methodical manner under leadership from top to bottom. The consolidation of the party will be linked with the administrative structural reform and reorganization of enterprises and institutions.

Carrying out ideological education for party members in a universal, systematical and thorough way is the essential measure for doing a good job of consolidating the party. When studying the 12th congress report and the new party constitution, we should simultaneously study the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" and the "principles on inner party political life." We must particularly emphasize education in communist ideology for party members and basic theoretical education in Marxism-Leninism-Mao Zedong Thought. We should educate them in communist ideals and in the party's line, principles and policies. We should also educate them in the basic knowledge of the party, in the requirements for party members, party spirit, style of work and discipline. We should place stress on making all party members clearly realize the party's character, position and function and be aware that only the people who are willing to struggle for communism throughout their lives and to sacrifice their all for the revolution can be qualified members of the CPC so that they can consciously compare themselves to the requirements of the new party constitution for party members and find out their deficiencies. At the same time, we should be good at educating party members with both positive and negative lessons so as to arouse their revolutionary enthusiasm and make them profoundly realize the necessity of consolidating the party, and determine to dedicate their all to the party, the people and the communist cause. This method has been adopted in some Beijing units when carrying out the recent education in opposing corruption. This lively and concrete method has achieved marked results and should be carried forward on a larger scale. Historical experience shows that only by holding up a clear-cut communist banner and unswervingly implementing the party's current policies in a down-to-earth manner, can we gather the vast number of party members and progressives outside the party to carry out arduous struggles under the communist banner and to unite the whole nation to win victories in revolution and construction. When smelting steel we need to keep the furnace burning, and only when the communist enthusiasm of the vast number of party members is fully aroused can all kinds of nonproletarian ideological dregs be washed out of the minds of party members. Only thus can we achieve success in consolidating the party.

The experimental work of consolidating the party in a few selected units is a preparatory step for smoothly carrying out the movement in an all-round way. Though we have accumulated rich experiences in carrying out the movement of consolidating the party, the current conditions are very different from those in the past and the situation inside the party has also changed. Apart from this, many party members and cadres at middle and grassroots levels do not have practical experience in this field due to the fact that we have not consolidated the party for many years. Therefore, the experimental work in selected units is very important. We can gain experience there and use it to guide general work. This winter and next spring the Beijing municipal authorities will select a number of units in organs subordinate to the municipal party committee, industrial, capital construction and financial departments and in both rural and urban areas as the experiment points for consolidating the party. The relevant departments of the municipal party committee and party committees (or party groups) at district, county and bureau levels will send leading cadres to take part in the experimental work and will pay attention to study the experience and problems in consolidating the party so as to make preparations for the work of all-round consolidation.

Carrying out the work of consolidating the party by stages and in groups in a planned and methodical way under a unified leadership is an important guarantee for the healthy development of the work of consolidating the party. This work should be started in the municipal party committee and then gradually develop to leading groups at district, county and bureau level. After this, the consolidation of grassroots party organizations can be carried out by stages and in groups. In this way, the movement will develop from top to bottom at one level after another under the leadership of the upper party organizations. As for those party organizations which have been paralyzed or corrupted, their senior organizations should send work teams there to bring the party work directly under control.

Furthermore, the work of consolidating the party should be linked with administrative structural reform and the reorganization of enterprises and institutions. A unified arrangement should be worked out. In the course of consolidating the party, it is necessary to continue to strengthen the building of leading groups at all levels. It is necessary, by upholding the principle of appointing people on their merits and giving priority to their political integrity, to promote those young and middle-aged cadres, who have comparatively high education level, strong professional ability and organization and leadership capabilities and who can open up new prospects in work, to leading positions in place of those incompetent cadres who cannot do so. Reformative measures should be taken as the work of consolidating the party is carried on. Concrete measures for strengthening and improving the party leadership should be worked out so as to consolidate and develop the achievements of the movement. It is necessary to lead the revolutionary enthusiasm of party members emerging after the work of consolidating the party into their professional work and production so as to promote work and production and to create a new situation in which the work in all fields is going full steam ahead.

Our era has sounded the clarion call to create a new situation in all fields of socialist modernization. We must, in the course of studying, publicizing and implementing the 12th party congress' documents, do a good job of consolidating the party and build all party organizations in Beijing city into vigorous fighting command posts able to create new situations, which will unite and lead the people throughout the city, under the leadership of the party Central Committee and in accordance with the four-point instructions on the building of the capital issued by the party Central Secretariat, to build Beijing into a modern capital of our socialist country with a high degree of civilization and democracy, and to continuously advance our work in all fields in concentrated, enthusiastic and orderly manner.

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COMMENTS ON DISCUSSIONS CONCERNING PLANNED ECONOMY AND MARKET REGULATION MECHANISM

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[Article by Jing Ping [2529 1627]; preface by the editor of the RED FLAG Publishing House to the book "Collections of Theoretical Essays on Planned Economy and the Market Regulation Mechanism"; which collects articles on this topic published in major newspapers and magazines from the publication of the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" to June 1982]

[Text] The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" adopted by the 6th Plenary Session of the 11th CPC Central Committee points out: "It is necessary to practice planned economy on the basis of public ownership and at the same time, give play to the supplementary role of regulation by market mechanism." Both the historical experience and current situation of China's socialist economic construction have shown us the fact that whether the national economy can healthily develop and whether the socialist economic system can be further consolidated depend on whether this basic principle is put into effect in an all-round way.

Since the publication of the resolution, theoretical and actual workers in the economic field have widely discussed the problem concerning planned economy and the market regulation mechanism and have published many articles on this topic. Over the past year, the people's understanding of this problem has been raised to a new level and the discussions have achieved useful results.

As we know, when discussing the reform of China's economic institutions a few years ago, people generally felt that there existed many maladies in our economic institutions, such as the overcentralization of power, rigidly planned management which covered too wide a range and exerted too rigid a control, the lack of decisionmaking powers in enterprises and the neglect of the function of the market mechanism. Undoubtedly, it is correct to point out these maladies and seek ways to solve these problems and this has played an active role in promoting the reform of our economic institutions. At the same time, there being no need for reticence, some improper and even erroneous viewpoints have also come up in the discussions. For a certain period, many comrades did not take seriously the state of affairs. In the wake of the publication of the resolution, Comrade Chen Yun repeatedly emphasized that it is necessary to adhere to the principle of "giving the leading role to planned economy and the supplementary role to the market regulation mechanism." Since then, a new situation has been brought about.

In the articles published in the past year, many comrades on the one hand fully affirmed the great achievements of the theoretical discussions concerning the reform of our economic institutions and on the other hand, seriously analyzed the problems existing in the discussions a few years ago. Apart from inappropriate wording and inaccurate propositions, which were problems that were hard to avoid and should not be taken seriously, they mainly pointed out the following erroneous viewpoints: Considering that the law of planned development of the national economy does not exist under the socialist system; considering that our country at present is not provided with the material conditions for practicing a planned economy; considering that inefficient management and poor economic results are inevitable outcomes of the planned economy; considering that mandatory plans should be abolished and that state plans should only be treated as references and should not have a binding force; considering that planning regulation mechanism is only suited to the management of macroeconomy while microeconomy, that is, the activities of enterprises, should be subject to the market regulation mechanism; considering that all enterprises, including those owned by all the people, should be economic entities which are completely independent and are provided with all the characteristics and rights of commodity producers and should thus have the power to independently handle production, exchange and other economic activities; considering that only by relying on the law of value, can production and other economic activities be properly regulated; and considering that market economy is much superior to planned economy. Among these viewpoints, some were only the ideas of a few individuals, but others were supported by a number of comrades. Seriously and objectively pointing out these viewpoints which negate and are detrimental or may at least lead to the weakening of our socialist planned economy and then analyzing and criticizing them, rather than remaining indifferent toward them, represents an earnest and scientific attitude. This shows that our economic theoretical workers have made progress and improvement in their understanding. This is a good thing. Launching discussions around these substantial issues of principle will never hinder the scientific study of theories but instead, it will only promote this study. This will not impede the reform of the economic institutions, rather, it will benefit the healthy development of this reform.

In the articles published in the past year, many comrades started from the actual conditions of our country, applied the basic principles of Marxism to the socialist economy to sum up positive and negative experiences in China's economic construction. They made some concrete expositions on the important issue of "giving the leading role to planned economy and the supplementary role to market regulation mechanism" and further explicitly affirmed the following viewpoints:

1. The national economy developing in a planned way is a basic characteristic of the socialist economy. Only by practicing planned economy on the basis of public ownership, can we guarantee the proportionate and coordinated development of various branches of the national economy and various links of social reproduction and guarantee the growth of production in conformity with the interests of the whole society. In this way, the practicing of planned economy embodies the requirement of the socialist basic economic law. Abandoning planned economy will inevitably lead to anarchy in social production and to the destruction of the socialist public ownership system.

2. Our country has been provided with the conditions for practicing planned economy. The superiority of planned economy has been proved in the past 30 years' practice of economic construction. It is true that maladies existed in the specific systems of planned management in China and many major mistakes did occur in our planning work, but all this can be improved and corrected. We should never suspect and negate the basic system of planned economy for these reasons.

3. Practicing mandatory plans is a basic sign of the socialist planned economy and is also an important embodiment of China's socialist system of ownership by all the people. If mandatory plans, the state's direct management of the production and distribution of the means of production and consumption with a bearing on the national economy and the people's livelihood and the state's direct command over backbone enterprises were to be completely abolished, our plans would, like plans in capitalist countries, only play a coordinating role in the enterprises' productive and economic activities. In this case, it would be hard for the state to control necessary economic strength to guarantee the national economy developing in accordance with the interests and demands of the entire society. This would inevitably lead to confusion in the social economic life and would not guarantee the advance of our economy as a whole along the socialist course.

4. As for the forms of planned management, apart from direct plans, or mandatory plans, many products and enterprises may and should be subject to indirect plans, or guidance plans, which mainly rely on prices, taxes, credits and other economic levers to guide enterprises to the fulfillment of state plans. The attempt to exclusively practice mandatory plans without regard to actual conditions and necessity is also unfavorable to the proportionate development of the economy and unfavorable to the improvement of economic results.

5. Under the conditions of the planned economy playing a dominant role, it is also necessary to define a certain scope in accordance with the specific situation of various periods and allow enterprises to conduct free production and exchange within this scope, that is, to allow the production and exchange of a section of products to be regulated spontaneously according to the law of value. In this way, this market regulation mechanism is subordinate to the planned economy and just plays a secondary role, but it is essential and serves as a useful supplement to the planned economy. When

emphasizing the importance of the planned economy, we should not neglect the supplementary role of market regulation mechanism.

6. In order to properly organize the socialist economy, it is necessary to make all efforts to follow objective economic laws and first of all, the specific laws of the socialist economy, such as the socialist basic economic law and the law of proportionate development. At the same time, it is necessary to follow the basic law governing commodity production, that is, the law of value. When practicing both mandatory plans and guidance plans, we must take into account the situation of market supply and demand and the requirements of the law of value. It is wrong to deny that the socialist basic economic law and the law of planned development are the principal regulators in social production and to exaggerate the regulatory role of the law of value. It is also wrong to deny the regulatory role of the law of value and to think that emphasizing the planned economy means negating the necessity of developing commodity production and exchange.

7. We must reform China's economic planning institutions. The basic principle and orientation of this reform must be: 1) socialist in character; and 2) Chinese in style. The result of the reform must be to strengthen and consolidate rather than destroy the socialist economy. Measures adopted in some capitalist countries, including some effective measures in those countries, are not certainly applicable in our country. We should not mechanically copy even the measures of other socialist countries because our conditions are different from theirs. We must seriously sum up our own experience and only take foreign experience and ideas as references, rather than foundations.

8. The central problem of institutional economic reform is the implementing of the principle of giving the leading role to the planned economy and the supplementary role to the market regulation mechanism. It is necessary to correctly define the scope and limits of mandatory plans, guidance plans and market regulation mechanism. Different degrees of decisionmaking power should be vested in different types of enterprises so that their business results can be linked with their material benefits, and responsibility, power and interests can be combined together. Both administrative means and economic levers should be put into practice. This reform involves a wide range and should not be treated as some nonessential amelioration. Many problems in this reform need to be solved and we must not take this as an easy thing. We must take an active attitude, work out feasible programs and put the reform measures into effect step by step.

9. We must improve our planning work and place our plans on a better scientific base. We should always maintain our guiding ideology and principles in the economic field in conformity with objective reality and try our best to maintain the overall balance in the national economy. We should properly arrange various major ratios in the economy and take into account the interests of the three aspects, namely, the state, the collective and the individual. We need to draw up a plan system which combines long-term plans with short-term plans and to set up a rational system of indicators.

It is necessary to strengthen economic forecast and statistical work and adopt a scientific method for planning. The application of prices, taxes, credits and other economic levers should be included in state plans and taken as an important component of the plans. Only by continuously improving the level of our planning work and making our plans more scientific, can we firmly consolidate the authoritativeness of our plans.

10. We must protect the solemnity of the state unified plans and oppose various behaviors of weakening and shaking off the state planned management. Localities, departments and enterprises should have the notion of taking the interests of the whole nation into account. Selfish departmentalism, decentralism and the liberalist tendency must not be allowed to go unchecked. The state should use both administrative and economic means and perfect economic legislation and carry out inspection and supervision so as to guarantee economic activities being handled in accordance with state plans.

Over the past year, the discussions concerning planned economy and market regulation mechanism have achieved useful results. Of course, not all questions have received unanimous replies. On the implications of some concepts, on the expression and exposition of some viewpoints and even on some essential problems, writers still have different opinions. These differences of opinion remain to be solved in the future discussions. As for how to turn the principle of giving the leading role to the planned economy and the supplementary role to market regulation mechanism into concrete measures and how to set up a concrete system in accordance with this principle, it requires us to make a great deal of investigation and study of China's reality and carry out thorough theoretical discussion.

In order to facilitate economic theoretical and practical workers and other cadres and masses to acquainting themselves with and studying the issue of planned economy and market mechanism, we compile this collection of theoretical essays. This book collects some articles published in major newspapers and magazines during the year from the publication of the resolution on the party's historical questions to June 1982. These articles are arranged in the sequence of their publishing time. In addition, the book also includes a few articles which have not been published before. The editor has revised the topic of a few articles. An index of the articles on planned economy and market regulation mechanism is attached at the back of this book. This is the first collection. A follow-up will be compiled and published according to the progress of the discussions. We hope writers and readers will offer help to our editorial work.

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SAFEGUARD THE SOCIALIST PUBLIC OWNERSHIP OF LAND

Beijing RED FLAG in Chinese No 22, 16 Nov 82 pp 23-26, 32

[Article by Yi Zhi [2496 0037]]

[Text] On the ownership of land in China, the draft of the revised constitution of the PRC clearly defined: "Land in the cities is the property of the state." "Land in villages, towns and the suburban areas is the property of the collectives, except for the portion which belongs to the state according to provisions of the law; house sites and private plots of cropland and hilly land are also owned by collectives." "The state may in the public interest take over land for its use in accordance with the law." "No organization or individual may appropriate, buy, sell or lease land, or unlawfully transfer land in other ways." This has affirmed that the present stage of China accords with the public ownership of the means of production and there exist two kinds of socialist ownership of land; further, it has confirmed the principle that the land owned by the state and the collective is inviolable and cannot be regarded as a commodity to be sold, bought or leased. These principles affirmed by the fundamental law of the state which has supreme legal effect have great immediate significance in safeguarding the socialist economic basis of our country and promoting the management of land.

I

Land is the basic means of production for industrial and agricultural production, and cannot be substituted. It is closely linked with the people's life and the existence and reproduction of mankind. Socialism is incompatible with the private ownership of land. In their "Manifesto of the Communist Party," Marx and Engels pointed out: "Wielding its political domination, the proletariat" "expropriates landed property and provides land rent to the state for its expenditures." ("Collected Works of Marx and Engels," Vol 4, pp 489, 490) In "places where there are large number of peasants who own the land," Marx proposed to "promote the transition from private ownership to collective ownership of land." ("Collected Works of Marx and Engels," Vol 18, pp 694, 695) After the victory of the democratic revolution, China abolished the feudal ownership of land in rural areas and carried out the principle that those who till own their land. The collective ownership of land in rural areas was gradually established during the cooperative transformation of agriculture and finally realized with the establishment of the advanced agricultural producers' cooperative; whereas the state ownership of land was gradually set up and strengthened through expropriation, confiscation, taking over (of unowned land in town and country), redemption (of capitalist estates), requisition and other methods. The establishment of the two kinds of public ownership of land eliminated an important source of exploitation and oppression that the Chinese people had suffered from, cleared away the obstacles and paved the way for China to become a prosperous, strong and modernized country. These are the great achievements gained by the Chinese people in the struggle to solve the land problem in the past decades under the leadership of the CPC.

The establishment of the two kinds of socialist public ownership of land was widely supported and respected by various organs, organizations, state-owned enterprises and institutions, collective economic organizations and the vast numbers of civilians in cities and villages. On the whole, it was relatively stable. But in recent years this system has been encroached upon to varying degrees. In rural areas, it has been mainly a case of some cadres and commune members building their own houses and willfully occupying cultivated land belonging to the collective; in city suburbs, it has mainly been some production teams, organs and enterprises illegally buying, selling or leasing land; and in cities, there have also been serious cases of illegal land grabbing. The practices of violating rules and occupying land are also rather serious. Some units and individuals try every possible way to occupy open spaces, green plots, parks, public roads and residential courtyards. Land under construction is also forcibly occupied. What merits special attention is that when some units owned by the whole people apply for land for the purpose of construction, they budget liberally but spend sparingly. After they have got the land which the state paid a high price for in taking over, if they do not or cannot use it, they exchange it for houses or materials, or sell, lease or transfer it at a high price. If we allow all the above practices of violating state or collective ownership of land to spread unchecked, the socialist economic basis of our country will be seriously impaired and a great deal of valuable land will continue to be ruined and wasted; this will lead to consequences dreadful to contemplate.

Although land is a means of production, it is somewhat different from that of machinery equipment, factory buildings, raw materials, fuel and other means of production. It cannot be reproduced. One mu occupied will be 1 mu less. Moreover, its position is fixed and cannot be moved. China has a large population with limited land and the distribution of our population is seriously uneven. At present, in many cities and rural areas, there have been a shortage in usable land. Along with the increase of population and the development of the construction cause, this situation of shortage will be more and more intensified. Therefore, to cherish every inch of land is our existing national policy and also the bounden responsibility of all organs, organizations, enterprises and institutions, economic organizations of the collectives and the residents of cities and villages. It is stipulated in the draft of the revised constitution of the PRC that "socialist public property is sacred and inviolable." The land owned by the state and the collective is sacred and inviolable. The establishment of socialist public ownership of land offered the possibility for the rational exploitation and utilization of land in a planned way. But by applying this possibility to reality, we still need to rely on the people of the whole country and particularly all cadres to safeguard the socialist public ownership of land. Recently, the Secretariat of the CPC Central Committee and the State Council emphasized: In the past few years, the situation in rural areas of occupation of cultivated land and building of houses was quite serious, and in addition, more land is found to be occupied by the state every year for its construction. This further accelerates the contradiction of the large population and limited land of our country becoming more striking. If we do not attach great importance to this situation and take drastic measures to stop it, it is bound to have serious consequences. Therefore, it is demanded to strictly control the occupation of land and building of houses, and resolutely check the trend of cadres taking the lead in grabbing land and building houses. This instruction is very important.

In order to safeguard the socialist public ownership of land, we must further perfect the land legislation, study and improve the system of land management and make clear the problem of ideological understanding concerning the public ownership of land.

II

One of the important reasons why our socialist public land has frequently been violated in the past was that our country's land laws were not complete and there were no legal guidelines when problems concerning land management occurred. For instance, since the cooperative transformation of agriculture, although the party and government time and again reaffirmed in its policy documents that buying, selling and leasing of land were forbidden, people nevertheless bought, sold and leased the land, and there were no clear-cut laws stating what responsibility the culprits should bear. Consequently, even if the cases of selling, buying and leasing of land were investigated, those guilty were not duly punished. A culprit who offended the law "made self-criticism for a short spell but got benefits throughout his life." This then created a precedent for future illegal activities. Here is another example: We criticized the rural grassroot level cadres for arbitrarily distributing house sites. But for a long time we did not suggest any way to properly distribute the house sites, with the result that each locality chose their own way. Some even competed with others, keeping pace with a "high standard."

Socialist land law is a powerful weapon for us to protect the socialist public ownership of land. It is inconceivable for such a big country as ours with a large population and limited land not to have complete land laws.

It is gratifying that in the past 12 months or so, the State Council has successively promulgated several important land decrees. A number of provinces, municipalities and autonomous regions have also formulated their own local land regulations. There has been great progress in the land legislation work of our country. But we still do not have our own land law. There are some details of the newly promulgated land decree that need to be formulated and put in force. We must continue to firmly grasp the work in land legislation. The clear and perfect stipulation laid down in the new constitution for the ownership of land for our country at the present stage will establish a prerequisite for the land law of China.

To make a law is not easy but, in a certain sense, to carry it out is even more difficult. A special feature of many cases of illegal land dealings is that both parties received benefits at the expense of the state. Therefore, these cases are not easily discovered in advance. When it is investigated, it has already become a fact. There are also great obstacles and difficulties in dealing with these cases. Moreover, there are the phenomena of too many opinions and, ambiguous responsibility in land management at present which meant that land appeared to be managed but in fact was not; this seriously hindered the development of land management work. Urban land should of course be managed by the real estate departments. But too many heads involved in the management cause it to be in a confused state. Therefore, after we have laid down a series of land decrees, it is necessary to further perfect the administrative organs of land management and earnestly grasp the work of enforcing the law. It is imperative to have a full understanding of the difficulty of enforcing the law. We must educate the comrades of judicial and land management departments to bear the spirit of responsibility to the state and our later generations, act according to the law and enforce it strictly.

III

One of the main defects in the economic management system of our country is the idea of eating out of the "big communal pot." This is also true in our land management system, and in the management system in the state-owned land in particular.

At present, when land is needed by enterprises and institution units owned by the whole people, provided that the construction or extension project is approved, the construction unit can in the name of a state representative take over land for its use, no matter how high the expenses, because they are allocated, paid and reimbursed by the state. After the land is taken over, it is owned by the state and used by the construction unit. Prior to the "Great Cultural Revolution," the units owned by the whole people had to pay to the state a small fee for the use of land. During the "Cultural Revolution," this symbolic payment was also revoked. Now, the units of the ownership of the whole people gratuitously use state land. Although this kind of system conforms with the simplified tax system, it has also brought a lot of problems. Among them the most typical one is gratuitous use of land. Everybody rushes in sharing from the "big pot" of state land, thus causing a shocking waste in the use of land. In requisitioning land, we often find cases of requisitioning more land than needed, or requisitioning it much earlier than it is used, or even not using it at all. The crux of the matter is that land owned by the state is free. At present, the reason why the capitalists of foreign countries rush day and night and seize every minute to build factories is that every inch of land is extremely expensive there. The capitalists wish to finish it as quick as possible in order to recover the cost of purchasing the land at an early date. But in our metropolis, when houses are demolished, it is usually the case that after several years they are still in ruins. There is no choice but to erect an advertisement board to cover up the sight. If land is not used gratuitously, but must be paid for, and if whoever takes over the land and does not use it, will be levied heavy taxes by the state, or the land be taken back in due time, then the situation may be far better than the present.

In socialist society there still exists differential land rent. The land rent of construction sites is mainly determined by the position of the land. Whether or not the enterprises are situated near the sources of raw materials, markets and water and electric supply centers, and whether or not the communication and transportation and coordinative conditions are convenient, have great influence on the operation of their businesses. It is not because of good operation of business or large amount of labor put in that some of the enterprises make a good income, but mainly because they benefit by the position of the factory (or shop; the mines benefit from rich resources). At present, wherever the land used by the state-owned enterprises is situated, it is free; therefore, the differential land rent is then distributed to enterprises that are situated in a good location. This not only causes uneven income, advantages and hardships, it also encourages people to crowd into the metropolis and particularly to seize the land in the center of the city and the vegetable plots in the suburbs.

In the past, when the management system of the entire planning, finance, supply and marketing and others were all sharing from the "communal pot," the above defects of free use of land did not arouse the attention of the people. Now, the initiative power of enterprises have been extended and we have instituted the economic responsibility system. When the other fields began to actively solve the problem of "communal pot," the problem of "communal pot" in the state-owned land became more conspicuous and its defects exposed more clearly. This is an important problem that calls for a solution in reforming the land management system.

In order to make the construction units use land more economically and change the free occupation of state-owned land to a paid one, it is absolutely necessary for the state to levy land-use tax on private house sites and land used by units for construction purpose, according to the quality and quantity of land. The state must pay relevant fees for requisitioning, exploiting and managing land. At present, the expenses in requisitioning land constitute a large amount of every capital construction investment allocated by the state. This sum of money is not part of the social reproduction process and does not form fixed assets. It cannot be gradually withdrawn, depreciated or recouped, and is not included in the rent; therefore the state is not reasonably compensated. It is necessary to levy a certain amount of tax on the units that use land to compensate the expenses used in requisitioning, exploiting and managing land.

It seems that the state charging the state-run enterprises for using land is like collecting a sum of money from one side but reducing the profits that should be turned over on the other; the wool comes from the sheep's back. In fact, collecting and not collecting are quite different, and the results of the wool coming from this or that sheep's back are also quite different. Collecting is advantageous for maintaining the state ownership of land and prevents the reduction of state ownership of land to unit ownership. Under the condition of extending the initiative power of enterprises and the enterprises having relatively independent economic rights and interests, it is a very beneficial thing for the state to levy tax on using land and levying a higher tax on the well located land and suburban vegetable plots according to the principle of differential land rent. This reflects a series of policies of the party and government in valuing land, readjusting the income of enterprises, controlling the population increase in cities, protecting the environment and so on.

IV

In order to do a good job in land management in rural areas and city suburbs and safeguard the socialist collective ownership of land, at present, it is necessary to clarify some ideological understanding on the problems concerning the collective ownership of land.

The first problem is forbidding the buying and selling of land. The constitution and law of China has a stipulation forbidding the buying and selling of land. It not only forbids the units owned by the whole people to sell state-owned land, but also forbids the units owned by the collective to sell collectively owned. This is not a willful stipulation, but a scientific one. Some comrades hold that since land belongs to the collective, they have the right to sell. They do not understand the reasoning behind this stipulation.

The buying and selling of land is an outcome of private ownership of land and it is an important reason why in history, land has been monopolized and annexed by a handful of people. In the old society, the rich had fields from north to south, but the poor did not even possess a speck of land. In addition to the rulers plundering land from the laboring people by means of political and military power, this was also caused by the rich buying land from the impoverished peasants. Through the democratic and socialist revolutions, China abolished the private ownership of land and nobody was allowed to use land to exploit others. We had the objective conditions for forbidding the buying and selling of land. In order to protect the socialist public ownership of land, the law of our country has a stipulation forbidding the buying and selling of land. The state recognizes the proprietary rights of the collective units over the land and legally protects collectively owned land from being encroached upon. Collective units are by no means allowed to sell land at will. If the collective units are allowed to sell land at will, it will inevitably mean giving the green light to a few people to engage in speculation, and conversely, all bad deeds will come one after another. This is not safeguarding but sabotaging the collective ownership of land.

In socialist society, there exist the production and exchange of commodities, but land is not a commodity. Further, viewed from the development of the causes of production and construction, it is not necessary to carry out a policy of free buying and selling of land. If the state needs land for capital construction, it can requisition land from the production teams through legal procedures after approval by the land management organs. The state does not have to purchase it. If the commune enterprises need land for construction, they can also requisition land from the production teams through legal procedures after approval by the state; they do not have to purchase it either. At present, those who intend to purchase land are mainly units who want to extend their capital construction which is not under the planning of, or approved by, the higher levels. If the free buying and selling of land is allowed, it will be impossible to control the planning of cities, capital construction and land utilization.

The second is the problem of bounds between the public ownership of land and the system of production responsibility, that is, the bounds between proprietary rights and utilization rights of land.

After land reform was carried out in China, the proprietary rights and utilization rights of land were always connected together. After land reform, land was returned to the individual peasants. The individual peasants were the owners and users of land. After a considerable time after the setting up of advanced agricultural producers' cooperatives in rural areas, the land was cultivated by the collective and therefore, the collective was the owner and user of land. Because the "two rights" were combined together for a long period, this caused some of the peasants and cadres to be mixed up about the bounds. After the implementation of the responsibility system of fixing output quotas for individual households and assigning land to each household in exchange for fixed levies, proprietary rights and utilization rights were separated or partly separated. Therefore, some people misunderstood it as "dividing the fields among individual households" and "land has returned back to its original owner." In the past few years, some people have built houses and graveyards and used the soil to bake bricks on contract land, private plots and fodder fields. This is related to the mixing up of the bounds between proprietary rights and utilization rights of land. What we have to do is to do more propagation and explanation work, and lead the peasants and cadres to draw a clear line of demarcation on this issue. We must realize that in our socialist society, it is normal to separate the proprietary right and utilization right of land. We must help the cadres and commune members to draw a clear line of demarcation between proprietary right and utilization right, so that they can understand that they have the right to use contract land, private plots, hilly land and fodder fields to a certain limited extent, and that they do not have the proprietary right over this land. This is advantageous for maintaining the collective ownership of land and also for perfecting the system of production responsibility in rural areas.

Marx predicted 110 years ago that "the ownership of land is the primitive source of all wealth. Now it has become a big problem. The future of the working class depends on how this problem is properly solved." ("Collected Works of Marx and Engels," Vol 18, p 64) This big problem has basically been solved in our country. The problem we face today is to consolidate our achievements and perfect our public ownership of land. With the efforts of all of us, we believe that our socialist public ownership of land will constantly be perfect and further definitely manifest its superiority.

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LAUNCH THE ADVANCED PRODUCERS MOVEMENT ON A LARGER SCALE

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[Article by Yu Yannan [2456 3601 0589]]

[Text] The advanced producers movement is a mighty endeavor undertaken by the working class and other working people of our country in their establishment of socialism and march forward toward the gigantic objective of the realization of communism. This movement is entirely different from past political movements, particularly those so-called "political movements" during the 10 years of civil disorder. We use the word "movement" here to indicate that it is a popular campaign which is organized, purposeful and rather prestigious. And the advanced producers movement is a popular production emulation movement which is led by the party and the government, lies within the jurisdiction of the law and statutes, possesses the definite objectives of establishing material civilization and socialist spiritual civilization, both of a high degree of development, and is conscientiously and voluntarily participated in by the working class and other laboring people.

I

The advanced producers movement is a major part of the workers' movement of a new historical era in the establishment of socialism in our country.

A working class still exists in a socialist era. Since there is a working class in existence, naturally there is a workers' movement. Following the seizure of political power by the working class, it may be said that the first step has been taken insofar as the realization of its ultimate objective, namely, communism, is concerned. Hence, the workers' movement has not, and cannot, come to a standstill. But since the tasks and the pivotal points of work taken on by the working class before their seizure of political power were different from those shouldered by them after the seizure, the workers' movement necessarily has suffered vast changes in content and form. Before the birth of new China, the central tasks of our working class were, under the leadership of the Chinese Communist Party, to form a close alliance with the peasant class and other laboring people, to overthrow the rule of imperialism, the landlord class and the bureaucratic capitalist class, and to liberate the social productive force.

Hence, during the revolutionary period of new democratism, the basic content of our workers' movement was to engage in class struggles to destroy corrupt production relations and their upper structures which had impeded the development of the social productive force. In this context, during this period, the workers' movement resorted to such measures as strikes, parades and demonstrations and even engaged in more violent and hostile action such as armed struggles. Following the birth of new China, the political and economic status of the working class suffered a basic change. They have become the leadership class of new China and the masters of the new society. Particularly after the basic completion of the socialist transformation of the ownership system of the means of production and the elimination of the class status of the exploiting class, the central task and the pivotal points of work of the working class, generally speaking, were to devote their utmost efforts to socialist construction concurrently with raising the social productive force, to reform certain portions and links of the production relations and their upper structures which were not in conformity with the development of the productive force, in order to enable the socialist system to gradually become perfect. During this new historical period, the basic content of the workers' movement was to establish a modern, powerful socialist nation which was highly civilized and highly democratic. In other words, the content of the workers' movement shifted from the past liberation of the social productive force to the proper protection and development of the social productive force. Hence, under the new historical conditions, the workers' movement has taken the form of being democratic and emulative and not brutal and hostile.

Some comrades have frequently entertained too narrow a concept of the workers' movement. They seem to believe that the workers' movement existed only before the seizure of political power by the working class and that the workers' movement could exist only when the workers were engaged in struggles with the capitalist class, with or without, the shedding of blood. Such a concept is one-sided, and does not realize that the workers' movement necessarily possesses a different content and a different form in different historical periods. For the same reason, it does not conform to objective reality if we confine the workers' movement merely to political struggles and do not take it as embodying the important contents of the actual practices in production and in the study and renovation of science and technology engaged in by the working class during the socialist period. In reality, certain noted political activists of the proletarian class long ago took socialist labor emulation in the male and female workers' movement as one of the most glorious chapters in the history of socialist construction.

II

A large-scale development of the advanced producers movement carries an enormous significance and role in promoting the establishment of a material civilization and socialist spiritual civilization in our country.

The history of mankind's production development tells us that at any period in history and in any production department there existed a small number of relatively advanced producers who adopted relatively advanced production techniques and created relatively advanced production norms. Subsequently, an increasing number of producers have learned their techniques and measured up to their norms until finally what had been originally the production level of the small number of advanced producers became the production level of society at large and, as a result, production of the entire society increased. By that time, producers of an even more advanced level began to appear. They adopted techniques of an even more advanced level and created norms of an even more advanced character. They influenced and led many more producers to join the ranks of the advanced. In this way, the snow-balling effect gathered momentum. In general, this may be said to be a picture of the development of socialist social production and demonstrates the general law governing the development of socialist social production. In the interval, if any big and important invention in production technique is made, then it will lead to an important reform in production technique and promote a big increase in production. One of the chief superior points of socialism is that it provides various advantageous conditions and opens up unlimited extensive prospects for the growth of millions of advanced producers, for the full display of their subjective initiative in production, and for the utilization and propagation of their advanced experiences and their various kinds of inventions and creations. No other social system can provide such advantageous conditions.

As early as at the end of 1955, Comrade Mao Zedong had brought forth a proposal to start a socialist emulation campaign in our country. On the basis of this proposal, in March next year the CPC Central Committee issued a circular entitled: "Notice Concerning Active Leadership Over the Advanced Producers Movement." Thus, 17 years before the "Great Cultural Revolution," our country had already started the advanced producers movement. Although in the interval there were certain setbacks and errors, generally speaking, it had played an important role particularly during the period of the recovery of the national economy and the period of the completion of the First Five-Year Plan. After the smashing of the "gang of four," especially since the 3d Plenary Session of the 11th CPC Central Committee, popular activities striving to become various kinds of advanced producers were again rampant. This was a result of the implementation of the policy eulogizing advanced people on various frontlines, development of labor campaigns in various forms, an upsurge of such activities as technical renovation and making rational suggestions, and the "learn from, and surpass, the advanced" campaign which had for a time been interrupted during the 10 years of internal disturbance. According to statistics compiled by relevant departments in an investigation of 11 large-size backbone enterprises, in recent years roughly 20 percent of their staff members have won such meritorious titles of labor as labor model, advanced producer, shock worker in the new Long March, 8th March Red Banner pacesetter, and contributor of meritorious services to the four modernizations. Since the founding of the PRC, for every thousand staff members, roughly five have been awarded, at one time or another, titles of labor models of various grades. At the moment, in various localities, departments and enterprise units, the development of the advanced producers movement is still uneven and varying results have been attained. For example, at the end of each year, Daqing oil field carried out a campaign to "appraise advanced workers, compare contributions, elect models, and exemplify pacesetters." This has played an important role in the development of construction of the oil field and in stabilizing its high yield in recent years. The Daqing Oil Well Drilling Corporation combined labor emulation simultaneously with implementing the economic responsibility system. Last year, its oil well drilling footage was more than 600,000 meters, and its entire year's production tasks were filled 28 days ahead of schedule. Since last year, the Shanghai No 5 steel plant has promoted activities to solicit rational proposals from its staff members and in this way has enhanced economic benefits to the enterprise. This plant has a steel rolling workshop with over 700 workers. Last year, from July to the end of the year, roughly 10 percent of its workers made some 116 rational suggestions. Following investigation, 36 of these proposals were accepted. An investment of 31,000 yuan was required to carry out these proposals and awards amounting to 141 yuan were made. Implementation of these proposals will yield profits of 1.65 million yuan a year. This is equivalent to 8.7 percent of the total profits received yearly from this workshop at present. Of these 36 proposals, 19 were carried out before the end of last year. An investment of 5,000 yuan was made but the profits realized that year amounted to 420,000 yuan. A team leader in this workshop made a suggestion on "improving the productivity rate." The making of the suggestion, its examination and eventual implementation took only 2 days. Not a cent was spent; each year, 360 more tons of steel can be rolled, increasing profits by 45,000 yuan. Innumerable facts have shown that the vigorous development of socialist labor emulation to "compare, learn from, catch up, help and surpass" can readily be transformed into a powerful popular movement in which everybody learns from the advanced and catches up with the advanced. It can vigorously arouse people's enthusiasm and urge for improvement, change people's spiritual consciousness, promote technical rebuilding in the various departments of the national economy, and improve the labor productivity rate, work efficiency and economic effect of various trades and industries. In this way, the prosperous development of socialist economic construction in our country can be promoted.

The central theme of the current large-scale development of the advanced producers movement is to greatly increase the labor productivity rate and the economic effect to the enterprises. Development of the movement enables the rapid development of social production and in this way can provide to society even more plentiful products to satisfy the daily increasing material and cultural needs of the people. This is a special characteristic of the socialist system's superiority over capitalism. Therefore, vigorous development of the advanced producers movement helps in consolidating and developing the socialist system.

In the various departments of the national economy, the carrying out of widespread, penetrating and sustained labor emulation activities of a popular nature and the attraction of an increasing number of employees and workers into the movement to learn from and to catch up with the advanced not only can produce enormous economic benefits but also possesses an inestimable significance and importance in improving the cultural and technical quality of the entire working class, in gradually reducing the differential between physical labor and mental labor and in nurturing and raising the class consciousness and good virtues of the working class, particularly the young workers.

According to relevant investigation statistics, there are in our country some 60 million young workers and employees under the age of 35. The mainstream and quality of these youthful workers and employees are good. They represent an exceedingly hopeful new generation of our country's working class. But for various reasons, for the time being a rather large proportion of these youthful workers are not imbued with the revolutionary spirit and superior virtues of the industrial proletarian class. Frequently they lack the far-sighted ideology of the working class, lack the enterprising spirit, and sometimes look for momentary "comforts" and "material enjoyment." They often fail to put their exuberant vitality to good use and devote too much of it on petty household affairs. A small minority may even make trouble out of nothing, engage in brawls and fights, and even step on the dangerous road of lawbreaking. Under the present conditions of the great majority of workers being young people, we urgently need to vigorously develop popular activities which are of service to this great enterprise of the working class so as to attract these young workers, to make them strive to become the advanced and to do their utmost to fulfill their own wishes by means of creative labor and so that they can effectively display and put to good use their exuberant vitality and precious time via beneficial channels. And the advanced producers movement is precisely the type of good popular activity which can meet immeasurably well the above demands. The advanced producers movement not only possesses an extensively popular character but also has a highly competitive and emulative nature. All this is extremely suitable to young people's special temperament. Like competition in sports, labor emulation can immensely arouse the ideology, enthusiasm, fighting spirit, and wisdom of the young workers, and can turn a dull daily work routine into ever-surging waves and undulations, full of excitement and steam. It can place young workers in a lively atmosphere and rhythms of strain, excitement, enjoyment and gladness. This makes them feel the fullness of life, the beauty of ideologies, and the bright prospects of the future. When they reap good results in their technical training, in technical renovation, in making rational propositions and in such activities as production emulation and pacesetting competition, when they are aware of their own importance and role in socialized production, and when they enjoy the fruits of glory and happiness of their creative labor, they will become increasingly interested and will even conscientiously regulate their own actions in conformity with the countenance of the working class. In short, vigorous development of the advanced producers movement and enthusiastic mobilization of the extensive masses of young workers to join the movement will make the young workers more readily accept the rigid training of socialized production, rapidly cultivate the revolutionary character and superior quality of the proletarian class in industry, and become truly worthy successors to the working class.

Advanced producers represent an advanced level of the productive force. On the one hand, they utilize their own advanced technique, advanced experiences and advanced norms to help and to teach the producers around them to learn and handle these advanced technology and experiences and to fulfill the advanced norms, in this way directly promoting the development of the productive force. On the other hand, by means of their exemplary deeds, their advanced thinking and brand-new lifestyle, they wash away the dirt and poison of the old ideologies of old society, introduce new styles and behavior to the age of socialism and communism, attract and encourage millions of people to adopt a new labor attitude and to undertake new fields of work, and thereby promote the onward development of the productive force. Since the founding of the PRC, on the various production fronts of our country a large number of celebrated advanced producers (workers) and model workers have appeared, such as Meng Tai, Shang Xiuli, Zhao Mengtao, Shi Chuanxiang, Wang Jinxi, Peng Haimu, Luan Fu and Zhao Chune, and those well-known labor models up to now are still diligently laboring on various fronts for the socialist enterprise. In addition, we may mention the nationally known advanced production teams and units such as the "Mao Zedong locomotive unit," Ma Hengchang subgroup, Ma Wanshui engineering team, and Daqing Nos 1202 and 1205 drilling teams. This large number of celebrated advanced individuals and advanced groups, plus thousands of advanced producers (workers), individuals and advanced units, demonstrating in their own selves the lofty spirit of loyalty to communist enterprises, their good professional virtue and their brand-new socialist lifestyle, truly constitute the pillar of our country's socialist spiritual civilization. Hence the further large-scale development of the advanced producers movement and an increasing number of employees and workers joining it certainly will form an extremely colorful and noble atmosphere which will wipe away the various kinds of evil habits and ways which corrode the socialist enterprises on our motherland.

Since the founding of the PRC, as a result of the vigorous development of the advanced producers movement, the working class has enhanced its political consciousness and improved the quality of its culture and technology. The ranks of advanced elements in the working class have also continuously expanded and improved and large numbers of advanced producers and labor models have grown up to become superior engineering and technical personnel, or administrative cadres, or leadership cadres, in the party and government circles. All this categorically shows that the advanced producers movement is in the nature of a big school for the working class to learn communism, is a large melting pot for the steeling of advanced elements among the working class, and at the same time constitutes an extremely important road and form, under the new historical conditions, for the self-rebuilding and self-development of the working class.

III

There is little doubt that the development of the advanced producers movement embodies an important significance and role in the construction of our country's socialist material civilization and spiritual civilization. However, at present, many leadership cadres have not yet given the matter the importance it deserves. In organizing the advanced producers movement, the leadership circles concerned are full of worries. They seem to have their hands and feet tied and can hardly do anything. In such enterprise units, the trouble lies in not having attached enough importance to the movement, to the lack of a precise objective and concrete procedural measures, and an inability to envision definite results. It often happens that after vainly propagating for a while, the movement came to a halt. Naturally, conditions of this kind must be rapidly rectified. In addition, there exist causes which impede and adversely influence our development of the advanced producers movement on an even larger scale. For example, many enterprises to varying degrees display a bad tendency to isolate or to attack the advanced. This has seriously disrupted the development of the "learn from the advanced" campaign. Also, certain problems and evil practices have been found in such phases as selection, use and propagation of the advanced producers.

According to an investigation made by relevant departments, out of the 126 nationally known cotton spinning and weaving experts, 66, or 52 percent, have been taunted or criticized. At the Yinchuan Cotton Weaving Mill in the Ningxia Autonomous Region, a national labor model, working as a weaver recently overfulfilled his spinning and weaving tasks each year. He has been in the habit of using his rest hours to teach new workers his techniques. Somebody actually wrote words on the blackboard taunting him and urging him "not to show his stuff any more." In some localities and enterprise units, it is difficult for the backward to become advanced. In the Changsha Restaurant in Hunan Province, a young pacesetter used to have participated in evil ways in her early life. After the smashing of the "gang of four," she was "reborn." She was found reliable in her work and finally won the honor of being a pacesetter in the new Long March. She was elected to the municipal political consultative committee. Unfortunately, very soon, doubts, taunts and rumors were cast on her. This was a serious spiritual blow to this youth who had just begun a new life. She was so depressed that she thought of committing suicide. Again, for example, according to an investigation made by a certain department store in Shanghai, it was found that of 65 advanced producers investigated, 17 felt that taunts, jeers and attacks were the main impediments to their continued advancement. A large number of facts show that the evil wind of isolating and attacking the advanced is blowing in varying degrees of severity in many localities and units and that this is more or less a general phenomenon. The various levels of leadership in the relevant departments must therefore pay special attention to this problem and make serious efforts to rectify it. The reason why the evil wind of isolating and attacking the advanced has not been effectively stifled in time is basically because of the weak and loose disposition of the party leadership in the organizations concerned. Isolating and attacking the advanced is basically incompatible with the advanced character of the working class and its political party, the nature of the socialist system, and the construction of the socialist spiritual civilization. The firm rectification of such an abnormal phenomenon has a direct bearing on the consolidation and development of the leading position of the working class in advanced thought and the expansion and development of the enterprise of the working class. Hence, our party and government leadership at various levels should take a clear-cut stand in representing and supporting the advanced and make a thorough investigation of the plight of the advanced producers and other advanced people in their respective localities, departments and units. They should educate the medium-level and backward workers and employees on how to correctly treat the advanced people and criticize the erroneous ideology of not seeking advancement for oneself and also keeping others from advancing. At the same time, they should firmly rectify the erroneous viewpoint and behavior which considers that all advanced producers must be advanced in everything and all through their lives and thus foster a demand for perfection on the advanced producers. Acts which falsely accuse and attack the advanced must be sternly investigated and dealt with. Serious cases involving a breach of criminal codes must be prosecuted. Only in this way is it possible to foster a good social and political environment in which everybody learns from the advanced and strives for advancement.

In the final analysis, whether or not an employee or worker should be conferred a labor honor and with what kind of labor honor should be determined by whether or not he has made any contribution and the extent of his contribution, if any, to the cause of promoting the development of the social productive force and the construction of socialist material civilization and spiritual civilization. This should be our fundamental criterion for the selection of advanced producers. Following the development of socialist modern construction enterprises in our country, there should be an increasing number of advanced producers standing in the front ranks of holding, promoting and creating modern technology. This represents an objective demand made on us by the passage of time. According to an investigation, last year a certain machine-building plant in Shaanxi Province elected 96 advanced producers and 45 advanced teams at factory grade. By far the great majority of them had been commended on doing overtime work, overfulfilling production quotas, enduring great hardships and undergoing extremely hard labor. However, lacking were such advanced examples as the trial production of new products, renovation of tools and equipment, adoption of advanced technological processes and advanced techniques, strengthening of scientific management and improvement of the economic benefits to the enterprises. Conditions of this kind are fairly common in other enterprises. The advanced model of the "old cattle type," the name of one of the categories of advanced models, represents one of the treasures of our party and people. The "old cattle spirit" it exhibits is the revolutionary spirit of fighting hard struggles, daring to sacrifice, and giving one's all until one's dying day. It is a vivid representation of communist ideology and is an enormous spiritual force supporting our construction of a modern powerful country. Therefore, from now on, we should have still more of this type of advanced model. But if only this one type of advanced model is available, then certainly it is not sufficient and can hardly meet the development needs of socialist modern construction. Hence, concurrently with training and bringing up, with great warmth, the existing advanced people (particularly creating the necessary conditions for them to learn and control scientific and cultural knowledge), we must pay adequate attention to the discovery, nurturing and support of advanced models who possess the special features of being new and conforming to the existing era's requirements. At present, the number of young labor models is small. This has directly reduced their influence and role among the vast masses of workers. According to an investigation made by relevant departments on 11 large-size backbone enterprises, of over 90,000 young workers, only 330 workers have been selected as labor models. This is 0.3 percent of the total number of young workers, whereas of over 50,000 elderly workers and middle-age workers, 397 people have been selected as labor models, or roughly 0.8 percent of the total number of elderly workers and middle-aged workers. The latter proportion was nearly 300 percent of that for young workers. Of course, there are various reasons for the small number of labor models among young workers, including the erroneous thought of exacting the demand for perfection among the young workers. Therefore, from now on, simultaneously with propagating the advanced and selecting labor models of the old and middle ages, we must break through the bondage of conservative ideology and boldly post up young advanced model personages so as to lower the average age of the contingents of labor models. We must also hold more single-item emulations for advanced ranking. This will make it possible for more workers and employees to take part. Moreover, in order to correctly and sufficiently bring the role which labor models should possess into full play, we must firmly rectify the current phenomenon of the current labor models occupying concurrent posts, participating in too many conferences and engaging in too many conferences and engaging in too many social activities. This will ensure that they have sufficient time at their disposal for production and at the same time strengthen their relations and contact with the masses. We must concretely solve the practical problems of the work burden of a portion of the labor models being too heavy, of their difficulties in finding adequate time for studies and making advanced studies as well as their individual problems of daily life. This will foster the growth of labor models. We must in a big way and practically and realistically propagate the advanced ideology and deeds of labor models. We must, by means of real hard work, enable thousands by thousands of workers and employees to continuously join the ranks of the advanced and strive for achieving the objective of making, in the next 3-5 years, the size of the contingents of truly qualified advanced producers much bigger, and their quality much better, than is the case today.

IV

Over the more than 30 years since the founding of the PRC, we have gathered and accumulated many valuable experiences in organizing the advanced producers movement and, at the same time, we have learned many painful and penetrating lessons. One of the important experiences gained is that in our work we must rigidly abide by the natural laws and economic laws. We must be practical and realistic no matter whether we are determining the emulating contents or targets or whether we are setting up advanced models or promoting advanced experiences. In our country, there are nearly 400,000 industrial and communications enterprise units. They differ in thousands of ways. In learning from the advanced and promoting advanced experiences, if we adopt or stick to one model or form, copy or apply mechanically, and bring compulsion to bear by means of the issuance of orders and directives, the consequence will only be setbacks in or failure of our advanced producers movement. Since the advanced producers movement is a gigantic undertaking participated in by millions of people, it simply won't do to have only a few people engaged in that work. Hence, we must be great in strength and impetus and, through all necessary means, mobilize and organize the vast masses of people. But we must also watch the actual results and be determined to avoid formalism. The way of doing things by raising a hue and cry, going in for ostentation and extravagance, and attending only to form has all along been hated and rejected by the vast masses of workers and employees. It must be firmly avoided and rectified.

We may also note that in our country at present conditions have become increasingly ripe for developing the advanced producers movement on an even larger scale than before. Since the 3d Plenary Session of the 11th CPC Central Committee, we have implemented a series of new and important guidelines and policies. This gigantic reform of historical significance has lasted for 4 years. It has demonstrated to people of the whole country not only its political achievements but also its material benefits. In fact, the actual standard of living of the great proportion of the workers by far has been improved to a certain extent and everybody is living more happily. The improvement in the material and cultural life of the vast masses of workers sooner or later will be reflected in their production work and more or less bring about an upsurge in their labor enthusiasm and creativeness. In recent years, we have done much work in the direction of reorganizing the leadership ranks of the enterprises, setting up the economic responsibility system and training workers and employees. In the enterprises, various kinds of management work such as quota control, business accounting and so on have been put on the right track. If we combine the above with other conditions, such as strengthening ideological and political work, we can entirely anticipate that there will emerge in our country an advanced producers movement of a gigantic scale which has the objective of building our country into a highly civilized and highly democratic socialist modern powerful nation. Within the working class, and within the entire population, an increasing number of people will strive to become advanced producers and more and more people will indeed become advanced producers. This in itself is an important symbol of the continuous elevation of our country's socialist spiritual civilization. The advanced producers movement will surely become an enormous force promoting the modernization of our country's industry, agriculture, national defense and science and technology and pushing forward the healthy development of the entire socialist undertaking.

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THE PARTY'S CAUSE, THE PARTY'S WORK ON LITERATURE AND ART AND NONPARTY LITERARY AND ART WORKERS

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[Article by Qi Fang [2058 2455]]

[Text] While talking about the two basic problems of audience, namely, the people for whom our works of literature and art are produced and the way to serve them, "Talks at the Yanan Forum on Literature and Art" specially discusses inner-party relations, namely, the relations between literary and art work of the party and the entire work of the party, and in addition, a problem of the party's external relations, namely, the relations between the party's work on literature and art and nonparty literary and art workers. For a considerably long period in the past, not many of our literary and art works specially discussed and analyzed Comrade Mao Zedong's views in this respect. The reason why we suffered setbacks and made deviations in our literary and art movement was closely attributed to our failure to pay attention and properly deal with this view. Therefore, to restudy such a view is an important subject for bringing order out of chaos on the literary and art front.

As proletarian revolutionaries, politicians and theoreticians, Comrades Lenin and Mao Zedong observed the problems of literature and art from the angle of the strategy and tactics of the entire proletarian revolutionary movement. They maintained that the proletarian literary and art movement should not be separated from the general track of the proletarian revolutionary movement and the Marxist and Leninist leadership of the party. With regard to Communist Party members who are engaged in literary and art undertakings, literature and art are their specific fighting posts at which they devote themselves to the proletarian revolutionary cause. First of all, party member literary and art workers should not forget that they are Communist Party members. They should implement the party's resolutions, guiding principles and policies and abide by the party's discipline. They should on no account regard their work as an individual thing which has nothing to do with the general cause of the proletariat. It was precisely in this sense that Lenin pointed out in his article "The Party's Organization and Publications": "The work of writing should be a part of the general cause of the proletariat."

Lenin's article, which was written for the party's newspaper, journal, publication and propaganda work, is, of course, suitable for the party's literary and art work. So far as literary and art undertaking are concerned, it raises and answers the problem of inner-party relationships, that is, the relations between the party's literary and art work and the party's entire cause on the one hand and the relations between party-member writers and the party's organizations on the other. Comrade Mao Zedong's "Talks" and other relevant works also carry forward Lenin's basic ideas on this subject. It is not in accord with the basic spirit of Lenin's article to regard Lenin's demands on party-member artists and writers as demands on all artists and writers. This would also cause serious consequences in practice.

Lenin's remarks "Writers without party spirit, get out!" referred to writers who had organizationally joined the party and all inner-party publication and propaganda workers, rather than nonparty writers and authors in general. After the October Revolution, while leading the struggle against the "proletarian cultural faction," Lenin mercilessly taunted the sectarian and closed door views which thought that the task of building proletarian culture could only be accomplished by relying on the efforts of the proletariat itself together with scientists, artists and engineers who were of proletarian origins. Lenin said that this was a wholesale fabrication. He explicitly pointed out: "In the activities in various fields, if we fail to form an alliance with nonparty personnel, we cannot begin to talk about successful communist construction." ("On the Significance of Combating Materialism")

While affirming that the party's literary and art work is part of the party's entire cause, Comrade Mao Zedong's "Talks" profoundly expounded the relations between the party's literary and art work and the nonparty literary and art work and regarded these party's external relations as a problem of a united front in the literary and art circles.

Our country's revolutionary literary and art movement is led by the party and attended by party member writers and artists. This gives rise to the relations between the party's literary and art workers and the party. Revolutionary literary and art undertaking is an extensive activity of the masses which is closely connected with almost every member of society. Apart from Communist Party members, it needs the participation of a number of literary and art workers who sympathize with and support the revolutionary cause to varying degrees and have different ideological tendencies and literary and art viewpoints. This gives rise to the problem of how our party should handle well its relations with nonparty literary and art workers, that is, the party's external relations. With regard to the party, this actually means how our party should exercise its correct leadership over literature and art and arouse the enthusiasm of all positive factors to promote the development of literary and art undertakings. Whether at the stage of democratic revolution or socialist revolution and construction, if the party fails to adopt correct policy to extensively cooperate with the masses outside the party, to fully arouse their enthusiasm and give play to their wisdom, talent and specialty, it is impossible to carry out the proletarian revolutionary literary and art movement in the true sense.

Handling well the relations between the party and nonparty literary and art workers is, very often, related to the party policy toward intellectuals. The broad masses of intellectuals in China are full of revolutionary spirit. Very often, they play a vanguard and linking role in the Chinese revolution. Comrade Mao Zedong attached full importance to the essential role played by intellectuals in the process of the Chinese revolution. In his article "Recruit Large Numbers of Intellectuals," Comrade Mao Zedong pointed out: "In the long and ruthless war of national liberation, in the great struggle to build a new China, the Communist Party must be good at winning intellectuals, for only in this way will it be able to organize great strength for the war of resistance, organize the millions of peasants, develop the revolutionary cultural movement and expand the revolutionary united front. Without the participation of the intellectuals victory in the revolution is impossible." If we fail to unite with nonparty literary and art workers, it is impossible for us to correctly implement policy toward intellectuals on the cultural front.

It was on the basis of such fundamental estimation and specific analysis that Comrade Mao Zedong expounded a series of policies and guiding principles for correctly handling the relations between the party and nonparty literary and art workers in the literary and art work. In his "Talks," he emphasized: "Our party writers and artists must: 1) unite on this issue of resistance against Japan with all nonparty writers and artists (ranging from party sympathizers and petty bourgeois writers and artists to all those writers and artists of the bourgeoisie and landlord classes who are in favor of resistance to Japan); 2) we should unite with them on the issue of democracy...; 3) we should unite with them with regard to the special issue of method and style in literature and art." With respect to the criterion for literary and art criticism, he again pointed out: "Subject to the general principle of unity of resistance against Japan, we should tolerate literary and art works with a variety of political attitudes," "our criticism ought to permit the free competition of all varieties of works of art." In the meantime, he stressed: "In a united front, all unity and no struggle and all struggle and no unity are both wrong policies--as with the right capitulationism and tailism, or the 'left' exclusivism and sectarianism, practiced by some comrades in the past. This is as true in literature and art as in politics." With regard to artistic works, Comrade Mao Zedong maintained that we should correctly appraise them according to artistic criterion in a scientific way. He said: "We must severely criticize and repudiate all works of literature and art expressing views in opposition to the nation, to science, to the masses and to the Communist Party." Here, Comrade Mao Zedong talked about the problem of united front and relations between the party and nonparty literary and art workers. On the literary and art front, the cooperation between the party and nonparty literary and art workers is not without principles. Instead, it is based on the common great objective (defending basic interests of the masses and the nation) and respecting artistic law. Instead of keeping on the right side of everyone, this cooperation is guided by Marxism and includes serious ideological struggle. However, to strive for the common great objective and artistic development, we should not set the criterion for party members on nonparty literary and art workers and implement a closed door policy toward them.

We should sincerely cooperate with them and bring their enthusiasm into full play.

Because Comrade Mao Zedong correctly handled the relations between the party and nonparty literary and art workers with respect to theoretical principles and specific policies and correctly cooperated with all possible allies in the literary and art circles, we made brilliant achievements in our revolutionary literary and art movement at the democratic revolutionary stage. On the eve of the founding of new China in 1949, the two great literary and art contingents from the KMT-ruled areas and the liberated areas successfully joined forces at the First National Congress of Literary and Art Workers, which marked an unprecedented and great unity of the Chinese literary and art movement. At that time, almost all well-known writers and artists (regardless of their schooling or world outlook) assembled together in the contingent of the cultural construction in new China led by the party. This was a wonderful and magnificent page in the history of our country's revolutionary literature and art. This was also a victory for the party policy for literature and art and a successful example of the united front work in literary and art circles.

Under the conditions that the proletariat has succeeded in snatching state power and becoming a national rural party, are Comrade Mao Zedong's ideas quoted above still valid? Do they still have guiding significance in practice?

The answer to these questions is in the affirmative.

After the proletariat has succeeded in snatching state power in the whole country, fundamental changes have taken place in class relationships and revolutionary tasks: The Chinese Communist Party has become a ruling party. With the accomplishment of the socialist reform of the ownership of the means of production, the exploiting class as a class has been eliminated and intellectuals, including literary and art workers, have become part of the laboring people and forces on which socialist construction relies. If we neglect or negate such historical changes and still use the old viewpoints to formulate our policy toward intellectuals, we are bound to commit grave mistakes. The fact that following the founding of new China, we suffered defeat in our guiding thought for literary and art work and committed "leftist" mistakes in discriminating against intellectuals was closely connected with our negligence of these basic changes.

The task and scope of the literary and art movement in the socialist period are greater than those of the left-wing literary and art movement and the art movement in the liberated area. The number of our writers and artists and the size of our literary and art contingent exceedingly surpass those made before the victory of the revolution. Despite the fact that the number of party members in the literary and art circles has increased by the dozens, they are still the majority in the literary and art contingent. We should not rely on party members alone in the literary and art circles to promote and develop socialist literature and art and build socialist spiritual civilization. On the contrary, we should, under the leadership of the party, unite with all nonparty literary and art workers who love socialism and the motherland to accomplish the task together.

Since the founding of new China, "leftist" mistakes occurred in the literary and art movement on several occasions. We unilaterally, mechanically and arbitrarily dealt with the relations between the party's literary and art work and the party's entire work, simply regarded literary and art creativity as a weapon for political propaganda and used political movement and struggle to solve the matter of right and wrong in the literary and art movement. Apart from that, the distinctions between the party and nonparty literary and art workers were obscured. In so doing, we weakened not only the mass foundation of literary and art work, but also the party's leadership over literature and art and ideological work. When such "leftist" ideology went to extremes, cultural autocracy and nihilism in the "Great Cultural Revolution" occurred. The Lin Biao and Jiang Qing counterrevolutionary cliques not only brutally attacked nonparty literary and art workers, but also treated a number of literary and art workers inside the party as enemies. The direct result brought about by such act was that in the literary field of a big country with a population of 1 billion, only a few "revolutionary writers" survived. In a civilized ancient country with a long history of 5,000 years, there were only 8 "model operas." On the other hand, the practice of the literary and art movement in our country following the founding of new China has also shown us that we should guard against another danger: If we give up necessary ideological struggle on the literary and art front and the leading role of Marxism in the ideological and cultural fields, underestimate the corrosion of the ideological influence of the old society and various bourgeois ideological trends from foreign countries and attach importance to unity alone without carrying out necessary ideological struggle, our actions will give rise to the bourgeois liberalization and the spread of bourgeois ideology. In so doing, Marxism will lose its ideological front and the socialist nature of the literary and art movement and its role in the socialist superstructure will also diminish.

In the new historical period, the conditions of the party organizations and party members in the literary and art contingent are matters of fundamental significance for upholding the orientation of the socialist literature and art, because we rely on them to implement the party's line, guiding principle and policies. Because party organizations in the literary and art contingent were sabotaged and weakened during the 10 years of internal disorder, the sense of responsibility to the party of some party-member literary and art workers has been dulled. This has become a major problem which adversely affects the healthy development of the literary and art movement. Therefore, we should stress that party organizations in the literary and art contingent should maintain their political and ideological purity and that party-member writers should strengthen their party spirit. All party members who are engaged in literary and art work should, first of all, realize that they are Communist Party members before they regard themselves as writers or artists. In this respect, all Communist Party members should do so without exception. In other words, all party-member literary and art workers should be bound not only by constitution and law, but also by the party's program and constitution. They should conscientiously abide by the party's discipline and implement the party's guiding principles, policies and resolutions. They should unequivocally keep in line politically with the CPC Central Committee, maintain the party's ideological and organizational purity and resolutely fight against all ideology and acts which run counter to the party's interests. They should not conceal their political features as Communist Party members and contaminate the communist banner. They should influence the masses around them with their own exemplary acts and excellent communist characters. They should neither lower the standard for themselves and slacken their efforts to set strict demands on themselves nor stand above the masses, separate themselves from the masses and consider themselves to be reformers. Writers enjoy freedom of literary and artistic creativity. However, party-member writers should not set their creative freedom against their duties as party members. The party has conferred full rights on them so that inside the party they can present their opinions to the party organizations or even the CPC Central Committee. Outside the party organizations, they are not allowed to make use of their social status as writers to express ideas and remarks which are not in accord with the party's principle or violate the party's line, guiding principles and policies. Party-member writers and artists should take part in the activities of "letting a hundred flowers blossom and a hundred schools of thought contend." However, they should take part in such activities as Communist Party members rather than as writers and artists in general. In the activities of letting a hundred schools of thought contend, they should expand the ideological front of Marxism, but not the opposite. If we fail to solve this problem, we will not be able to retain the socialist nature of the literary and art movement, ensure the party's leadership over literary and artistic undertaking or correctly arouse the enthusiasm of nonparty literary and art workers.

In the new historical period, the handling of the relations between the party and nonparty literary and art workers is actually a problem of how our party should correctly exercise its leadership over literary and art undertaking. To solve this problem, in-depth study and exploration are needed.

First, we should amply trust the majority of our literary and art workers. We should not regard them as alien forces or reject them because some of them have made certain mistakes and/or have shortcomings in certain respects. Otherwise, we will commit "leftist" mistakes. The fact that literary and art workers have become part of the laboring people does not mean that they have all become Marxists. This is also the case with workers and peasants who can also be influenced by nonproletarian and non-Marxist ideology. The main work we should do is that on the basis of trusting them, we should gradually guide, help and educate them.

Furthermore, we should realize that in the new historical period, the cooperation between the party and nonparty literary and art workers on the literary and art front is still very extensive. For instance, in our endeavor to realize the socialist modernization of the motherland and getting rid of poverty and backwardness, our literary and art workers have more common language. We are now facing the task of returning Taiwan to the motherland and of opposing imperialism and hegemonism. Under the slogan of uniting the motherland and reinvigorating China, we should not only arouse the enthusiasm of the broad masses of literary and art workers on the mainland, but also unite with all patriotic literary and art workers and artistic schools, including Taiwan compatriots, Hong Kong and Macao compatriots and Overseas Chinese to promote the prosperity, richness and colorfulness of our socialist literature and art.

What guiding principle and methods should we adopt to arouse the socialist enthusiasm of the broad masses of intellectuals, including literary and art workers? We should pursue the principle of distinguishing the two kinds of contradictions with different nature, including that of "letting a hundred flowers blossom and a hundred schools of thought contend." Comrade Mao Zedong regarded the "double hundred" policy as a principle for promoting and developing literary and artistic creation and sciences. To implement this policy, we should encourage works of various artistic styles and schools and various literary and art viewpoints to compare, contend, compete and argue with one another. This includes ideological struggle. The idea of regarding the "double hundred" policy as a practice devoid of criticism and struggle runs counter to the policy. Of course, it is harmful to adopt crude and repressive measures to deal with an ideological problem. We should learn to overcome various erroneous ideas by the method of persuasion and education.

Due to the sabotaging activities carried out by the "gang of four" in the ideological field and the attack of the bourgeois ideological, literary and artistic trends, our literary and art circles are faced not only with the task of continuing to fight against the pernicious influence of "leftist" mistakes, but also with the task of fighting against, to varying degrees, bourgeois liberalization. This problem not only exists inside the party, but also involves nonparty literary and art workers. In recent years, under the correct leadership of the CPC Central Committee, we have been carrying out an ideological struggle on the two fronts in the literary and art circles. While upholding the Marxist principle, we also help and educate the broad masses of literary and art workers and arouse their enthusiasm to the greatest possible extent. This is a successful practice for dealing with ideological struggle in the literary and art field. Summing up new experience in this respect is a matter of guiding significance for the development of the literary and art movement in the future.

CSO: 4004/14

MAKE GREAT EFFORTS TO FULLY UNDERSTAND THE ESSENCE OF THE DOCUMENTS AND SEEK IDEOLOGICAL UNITY

Beijing RED FLAG in Chinese No 22, 16 Nov 82 pp 37-38

["Short" commentary]

[Text] There has already been massive enthusiasm throughout China in studying the documents of the 12th CPC National Congress. Everything points toward relatively clear and effective results as a consequence of the importance being attached to the documents by party members at every level in every region and the resultant enthusiasm to study the documents by cadres in general. Many cadres have seen their understanding and consciousness raised as well as their political enthusiasm.

In terms of the overall process, study has only just begun, profound study is still to follow. According to the plans of the party Central Committee, the first stage of study mainly concentrates on learning and grasping the spirit of the documents, elevating one's understanding and uniting ideology in the direction of the plans and policies laid down by the 12th CPC National Congress. The contents of the documents of the 12th congress are rich and abundant. It supports the principle integrating the universal truth of Marxism with the objective facts concerning China's present conditions so that through our study we can bring together the experiences we have gathered from socialist construction in China and produce a mass of new, correct policies and directions which will open up a new era in the socialist modernization construction program. Using our theories we can make clearer elucidations of Marxism, thereby embodying the new leap that the party is making in terms of understanding and appreciating the rules of China's socialist construction. The documents are the development of Maoism under new historical conditions and they represent the compass for all our future work. Only by fully and completely understanding and grasping the spirit of the documents is it possible to correctly initiate and implement our plans and our work and to avoid making mistakes. Thus, we must be earnest in our study of the documents, we must examine them closely and deeply and not be satisfied with only a superficial understanding. We must avoid anything which influences our full and thorough understanding of the documents, such as insufficient analysis of the documents or insufficient examination of the situation before drawing up work plans; deviation from the contents of the documents to discuss nothing but generalities; using supplementary reading material instead of the essence of the documents during study, and so forth. In the past, some cadres have made such mistakes as these, that is, they did not study the documents sufficiently and therefore were not able to grasp their essence, the result being that their behavior ran opposite to the spirit of the documents, causing them to make mistakes. We should remember this.

A full understanding of the spirit of the documents allows us to increase our understanding, seek ideological unity and guide our work. A key link here is to bring together ideology and reality, to make comparisons with the documents and overcome such thinking which does not correspond with the essence of the 12th congress documents. We must understand that by ignoring this step, it is impossible for the essence of the documents to truly take root in our minds. The documents of the 12th congress cleared up a series of problems which needed rectification in order to establish this new stage in the socialist modernization construction program. For example, it counteracted "leftist" tendencies as well as rightist tendencies; it clarified the tactical targets for socialist modernization construction; accumulated funds to carry out important construction work; developed many different economic styles and implemented the system of responsibility in management and administration; took the implementation of a planned economy as being of utmost importance and market readjustments as supplementary; outlined education and science as being the most important strategies for development of the economy; strengthened the education of communist ideology; established socialist spiritual civilization; successfully attacked corruption and crime in the economic, political and cultural spheres; restructured the system of leadership; and activated revolutionarism, youthfulness, expertise and perception among the cadre ranks. We all have our own opinions of these problems; some are correct, some are not so correct or accurate. Only on the basis of understanding the essence of the documents and carrying out intercadre discussions and meetings can we hope to unite our ideology and understanding.

Studying documents and uniting ideology represent a glorious tradition in our party, but during the 10 years of internal disorder, this tradition was severely damaged. The "gang of four" used unity of ideology as one of their means with the result that this present readvocation of the idea as a means of study has met with some doubt from some comrades. If this situation is not rectified, then we will be unable to continue our study work in any depth. Leaders on all levels should work hard to implement the unity of ideology and reality, such an important link in the chain, and in doing so bring about a restoration of one of the party's glorious study methods.

Understanding and grasping the essence of the documents, raising our appreciation and perception and unifying our ideology are all extremely important steps to be taken. Only by thoroughly carrying out this step can one go on to the next step involving the linking up of all this with the actual work situation in each individual region, department or work unit, collating and learning from experience and examining and implementing the measures and plans outlined in the essence of the 12th CPC National Congress.

The key to carrying out deeper study lies in strengthening leadership. Now, we should take a look at the study process, at the understanding of the essence of the documents, the linking of ideology and reality, the unification of our understanding with the demands of the essence of the 12th CPC National Congress and ask ourselves how well were these things carried out? What experiences have been gained from doing so? What problems exist? How can we improve things? And so forth.

Our first major task today is to study the 12th congress documents. This then demands that we have a concrete order to our work, that we ensure definite work periods and that we ensure that the cadres study in earnest. We should not consider our task of studying the congress documents as something outside our work. Studying the party line, policies and direction is itself our work and is indeed the very first part of any of our work. Linking this with the workers must first be seen in terms of a blueprint. The tactical program drawn up in the documents until the end of this century are a great blueprint for work and only by first studying it carefully can we arduously struggle to construct the great modernized tower of socialism with clear direction, great determination, correct methodology and awareness.

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IS THE PRACTICE OF DISTRIBUTION ACCORDING TO WORK CONTRADICTORY TO THE PROMOTION OF A COMMUNIST WORK ATTITUDE?

Beijing RED FLAG in Chinese No 22, 16 Nov 82 pp 38-40

[Article by Xue Yan [5641 1693]]

[Text] In their study of the 12th national congress reports, some comrades made the point that on the one hand they were carrying out policies of distribution according to work while on the other hand advocating a communist attitude toward work and were these two policies not contradictory? How should we come to understand this problem?

Distribution according to work is socialism's distribution principle. It sets out that everyone receives remuneration according to the quantity and quality of their own work, so that more work produces more pay and less work produces less pay while no work produces no pay. A communist attitude toward work means carrying out work of one's own free will regardless of quotas or remuneration. Both of these two concepts are very different but both are vital to this present stage we find ourselves in. A correct handling of the relations between these two concepts is of great significance to the promotion of the socialist modernized construction program.

Distribution relations in society are decided by the situation relating to the means of production. In a capitalist society where the means of production are privately owned, the exploitive classes rely on the means of production that they own to exploit the surplus labor of the workers and thus pass their days earning money but without having to work while, at the same time, the workers are economically exploited and politically suppressed. In a socialist society the workers are the masters of the state. Under conditions of socialist public ownership of the means of production, the people have equal rights of possession of the means of production and distribution of consumer products is carried out according to the principle of distribution according to work. This is the greatest advance in history ever made by human societies. Although the communist principle of distribution according to need continues to develop and become more ideal it can only be truly achieved in a communist society with a highly developed productive force, and with a population with a highly developed consciousness. During the stage of socialism it is only possible to implement distribution according to work. As far as China's present situation is concerned, industrious implementation of the principles of distribution according to work is today still a problem which has not been completely solved whether it be in the industrial sector, the agricultural sector or any other sector and it thus still requires active and concentrated work. There is still a great deal of work to be done including the structuring of the system of economic management. Correct implementation of the principles of distribution according to work allows us to actually see and feel material benefits in the process of constructing socialism, so that as production develops so too do our individual contributions to the cause and thus, at the same time, the standards of living both materially and culturally gradually improve for everyone, thereby activating everyone's enthusiasm to construct socialism and to work even harder for society and also promoting the ever faster development of the productive forces as well as technology and culture. This is a question of essential importance to the construction of socialism.

While distribution according to work is socialism's distribution principle, it is also an objective rule for the development of socialist economics. We must recognize it, take advantage of it but on no account abuse it or destroy it otherwise we just accept punishment. We all still remember how in 1958 some comrades, under the guidance of mistaken "leftist" thinking, went against the principles of distribution according to work subjectively believing they could hasten the advent of communism in this way by blowing "the wind of communism" and eating "the largest portions of rice." The result was serious damage to production, while people's living standards were also seriously affected. During the 10 years of social chaos, "leftist" tendencies and mistakes reached their pinnacle with the result that not only was distribution according to work no longer conscientiously practiced, it was also criticized so that the end result was serious damage to the workers' enthusiasm and the creating of one of the main factors blocking the development of the economy. These experiences should not be forgotten.

Why, then, in this stage of socialism is the communist attitude toward labor again being advocated?

1. A socialist society represents the initial stage of communism with society's basic means of production already under public ownership and with society already having produced common benefits for all. Thus, a significant portion of the work advocated for socialist workers is for society. This portion of work must be deducted and is dissimilar to that in other societies and is designed to consolidate and develop the system of public ownership of the means of production as well as fulfilling the demands of common benefits and long-term benefits. For these reasons, therefore, it contains elements of communist labor. As far as society's total line of products is concerned, what products should be included in this portion of labor? In his "Critique of Gothe's Program" Marx discussed the question of distribution during the primary stage of communism and listed the following few items. The portion of labor which goes toward making up for means of production lost in consumption--if that portion is not deducted then even simple reproduction in society cannot be maintained.

The portion of labor added to increase production; the portion used to pay for foreseen mishaps; general management costs not directly related to production; the portion used to satisfy common needs, such as schools and health facilities; these accurate divisions drawn up by Marx were developed by taking an objective look at the real situation and carrying out theoretical analysis of future societies. If we integrate the practicalities of the communist movement and China's present social situation, then we can see that there is still a portion of China's products which must be seen as national defense costs. Only after deducting these can society distribute the means of subsistence according to the quantity of work preferred by each worker. Obviously, socialist workers should not work merely to receive their money, in addition they should have a concrete communist attitude toward labor and they should work with enthusiasm for socialist production as well as the above few items so closely connected to common benefits. Otherwise, not only will the socialist society be unable to progress and develop, it will also no longer be able to exist.

2. As far as advocating a communist attitude toward labor is concerned, there are several questions of significance worth asking. One is the question of how a socialist worker should treat his own work tasks and the other is what level of consciousness a worker should have. The principles of distribution of consumer products can only be achieved according to the principles of distribution according to work, but all workers would say there should be no adoption of such attitudes as "work according to pay," "work only as much as the pay is worth" and so on. The reasons for this are that since the workers are already the masters of their society, work is both for the society and oneself, regardless of whether it is paid or unpaid work. This is totally different from the capitalist and master/worker type work of the old society. Every worker must fully appreciate his or her position. Of course, this communist attitude toward work that is being advocated is not mainly designed to promote unpaid work, but instead, is most importantly demanding that everyone take full responsibility for their own work and constantly keep improving themselves. Practical experience shows that if when we practice distribution according to labor we only concern ourselves with how much money we get for how much work, then, without carrying out any ideological and political work and without advocating the principles of a communist attitude toward labor, it is very easy to go astray and produce tendencies of concerning ourselves solely with money. In his report to the 12th national congress, Comrade Hu Yaobang said: "If, under the guidance of communist ideology, we ignore this great task of constructing socialist spiritual civilization throughout society, then the people's understanding and perception of socialism will become one-sided with the result that the people's attention will only be drawn to the construction of a material civilization or even only to the search for material benefits. If this happens, our modernized construction will no longer be able to guarantee a socialist direction with the result that our socialist society will lose its ideals and its targets as well as the force of its spirit and its fighting will, with the result that it will not be able to resist corruption by many corrosive factors and may even see lopsided development or deterioration."

By educating the masses with communism, it will even be easier to implement policies of distribution according to labor and solve the contradictions between distribution according to work and the communist attitude toward work. We already have many examples of this having taken place in our present-day life. Such advanced and developed people as Lei Feng, Wang Jie, Qiao Yulu and Zhao Qune represent models for the correct resolution of this kind of contradiction. They were able to carry out their work and the labor for both the party and the people and they gave their all until the end. They are exemplary figures who displayed a communist attitude toward work.

China has already had 30 years of socialist public ownership of the means of production and after a long period of education the masses are gradually beginning to establish a philosophy of being masters of their world and as a result we are achieving great victories for socialist construction. Nevertheless, we must remember that because of new increase in the composition of the workers as well as the destructive effect of the 10 years of social disorder and various weaknesses in our present work, there still exists today a not insignificant number of people who do lack the philosophy of being masters of their own society and who lack a communist attitude toward work. Some people continue to enjoy the great benefits provided as a result of the socialist public ownership of the means of production without putting any effort into working or laboring for socialism, indeed some even loaf around at work and do nothing. In our present work of educating the masses in correct communist ideology we must stress the importance of learning how to be masters of their society in line with the socialist public ownership of the means of production. Undergoing this kind of education will make the working classes and other workers come to understand the historical duty they are to bear and thus give full expression to the advantages of the socialist system.

Teaching cadres and the masses to adopt a communist attitude toward work is a long-term process, but as far as Communist Party members are concerned it is a very immediate problem. In his report to the 12th CPC National Congress, Hu Yaobang said: "Of course we cannot expect every member of society to become a communist, but we must make use of communist ideology to aim at Communist Party members, CYL members and all advanced members of society and through them educate and influence the masses." As far as a true and correct communist is concerned, he or she should not by any means be a revolutionary only for the sake of distribution according to work. A Communist Party member should on the one hand work hard to implement party policies, such as distribution according to work, but on the other hand he or she should not on any account make distribution according to work a final and advanced target or aim. In this way their work and their labors will not be completely money oriented but will be selfless and altruistic, making the benefits of the party and the people the most important thing to work for. When contradictions arise between individual interests and those of the state or between short-term and long-term interests, then these people will be able to consciously subordinate individual interests to those of the state and subordinate short-term interests to those of a long-term nature and even, should it come to it, sacrifice themselves for the cause, even to the extent of giving their lives. Only in this way can we hope to activate the masses and promote the development of the socialist modernized construction program and move onward toward our glorious aim of communism.

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WHY IS IT NECESSARY TO CARRY OUT COMMUNIST IDEOLOGICAL EDUCATION AT THE SOCIALIST STAGE?

Beijing RED FLAG in Chinese No 22, 16 Nov 82 pp 41-43

[Article by An Tung [1344 0681]]

[Text] In his report to the 12th CPC National Congress, Comrade Hu Yaobang proposed: "At the present stage, we must adhere to the system of to each according to one's work and to all socialist principles. Of course, we cannot wish everyone to be a communist, but we must measure CPC members, CYL members and all advanced elements by communist ideological standards, and through them, educate and influence the broad masses."

Viewed from the angle of the socialist economic system or from the angle of the socialist political structure, there is a major difference between China's socialist system and the past private ownership system. China's socialist system is a product under the guidance of the communist ideological system. It has to be gradually improved in practice. However, it will undoubtedly lead China's society into the advanced stage of communism. Although for many years some Communist Party members have been doing the specific work of the socialist and communist cause, have been practicing communist ideology in action, have been living in the communist movement and have been facing the increasing communist factors, they do not consciously or not too consciously understand the communist nature of our cause. Under such circumstances, although they work faithfully and diligently, it is often difficult for them to do a good job in their work, in particular it is difficult for them to meet the increasing requirements in socialist modernization. Some comrades shoulder the heavy responsibilities entrusted by the party and the people, but they think that the present policies and work have nothing to do with communism. When we emphasize that we must carry out communist ideological education, they feel strange and are upset. They even think that it is queer to carry out communist ideological education in the course of building socialism. Such a phenomenon shows that it is a pressing task to educate party members, particularly leading cadres at all levels, to understand well the communist nature of our cause in the course of socialist modernization, to always remember guidance concerning the communist ideological system and to always remember the great aim of communism.

Some comrades are worried that the "leftist" erroneous tendency will emerge again and that the "communist wind" will prevail again, as did in 1958. In particular, they are afraid that the country will be plunged into the fallacy of communism which was practiced by Lin Biao and Jiang Qing counter-revolutionary cliques during the "Cultural Revolution." In order to dispel such misgivings, it is necessary for us to seriously review the history of the party and the situation since the 3d Plenary Session of the 11th CPC Central Committee. Everyone knows that we have corrected the mistakes of the "Cultural Revolution," that we have corrected the past "leftist" erroneous tendency, that we have completed the task of bringing order out of chaos in our guiding thinking, that we have achieved the great victory of bringing order out of chaos in our practical work on various fronts and that we have worked out and implemented a Marxist line and a series of principles and policies to guarantee that our country's socialist construction will go forward along a correct road. Battling for the realization of communism is the duty and job of all communists. We should hold high the banner of communism. But it does not mean practicing a "leftist" erroneous line. Now we can see more and more clearly that not only was the "leftist" erroneous tendency not the product of the communist ideological system, but on the contrary, that it was the result of violating the communist ideological system. The purpose of emphasizing the carrying out of communist ideological education and of arming all the party members and the people of all nationalities throughout the country with communist ideology is, in the light of specific conditions and under the guidance of the communist ideological system, to resolutely implement all the present socialist policies and to conscientiously understand the relationship between our present work and the great aim of communism. In addition, this also enables us to constantly overcome and correct the erroneous tendency that distorts, from various aspects and in various manners, communist ideology and the party's principles and policies. It not only opposes bourgeois liberalization and prevents Communist Party members from being corrupted by the decadent capitalist ideology, but also opposes an ossified way of thinking and prevents any "leftist" erroneous line from emerging.

History is a kind of connection, an objective course which has its own internal law. The wisdom of communists lies in the fact that they can use Marxism, which is the most scientific and the most revolutionary ideology, to observe and tackle problems and that they can do practical work together with the people with a firm belief for the future and in the great spirit of historical optimism to bring our society toward the predicted goal. They are the conscious creators of history. Our party's line and all its various principles and policies are the products of correctly understanding China's situation under the guidance of the communist ideological system, and they can only be correctly understood and implemented under that guidance. In his opening speech delivered to the 12th CPC National Congress, Comrade Deng Xiaoping said: "The line put forward by the 8th CPC National Congress was correct. But at that time, the party was not sufficiently mentally prepared for overall socialist construction, and the line and many correct suggestions put forward by the 8th CPC National Congress could not be persistently carried out in practice." This was directly related to our being unable to understand and handle well the various problems in socialist construction under the guidance of the communist ideological system. The results of the implementation of the correct line, principles and policies in different regions, departments and units are often greatly different, some are even different to what is expected. One important reason is that communist ideology in the minds of some leading cadres is not firm enough and that they do not adopt a serious attitude with regard to the party's line, principles and policies.

The reason why the social policies formulated by the party at a certain historical stage are correct is that these policies are in line with actual conditions; at the same time, they also promote the development of our cause toward the communist goal. So long as the social status of a policy in a certain historical period is not fundamentally changed, such a policy must be continued so as to maintain relative stability. We must understand the relationship between each stage of the communist movement and its various stages from a high plane of the whole course of the historical development of such a movement. Only in this way, can we implement well policies which are suited to the actual conditions of a certain historical stage, and can we implement well policies which are suited to a new historical stage when the situation fundamentally changes and history enters a new stage. Only in this way can we have an overall understanding of the present policies, see that we must conscientiously implement the policies for a fairly long time to come and realize that by comparing with the final target of communists, the stability of policies is necessary and relative. Only in this way can we always remember the great target and highest ideal of communists and avoid becoming short-sighted persons who rest content with the present situation. For instance, the policy of to each according to his work is a social policy our party must adhere to and gradually perfect during the socialist period. Communist Party members should become models who can guarantee the implementation of this policy. If we do not implement the policy of to each according to his work, we will not be able to realize the tasks set by the party for the socialist period, and only by resolutely implementing this policy can socialist construction develop healthily and can the necessary social conditions be created for the future implementation of the policy of to each according to his needs. On the other hand, Communist Party members must do their work without thinking too much about remuneration. They must, in the communist spirit, handle well various social problems and social contradictions which cannot be appropriately solved by merely implementing the policy of to each according to his work. At the present stage, like safeguarding the policy of to each according to his work, this is the need for the people's interests, as well as the need for historical development.

In the final analysis, what should we rely on to bring into play the people's initiative for carrying out socialist modernization? Some people say that we should rely on material incentives, bonuses and "material benefit." Material incentives, including bonuses, can, to a certain extent, bring the people's initiative into play, so long as it is applied in a correct manner. In enabling the people to consistently maintain a high level of initiative and in giving such initiative a correct direction, obviously, it will not do just to rely on material incentives. Material living conditions and material production are the prerequisite to the existence of human beings. But the life and production of a society or of an individual have never been without purpose, they must have a certain ideal as their spiritual mainstay. In material life and material production, the people always gradually form their appraisal and attitude with regard to actual social life and social productive activities and thus form their social ideals. Correct ideology and beautiful ideals are not only the indispensable part of the people's social life, but also guarantee that the people's social life can develop healthily and guarantee that the level of social material production keeps rising. Communist theory correctly explains the people's material life and material productive activities. Therefore only if we are under its guidance can we understand and handle the problem of material benefit, set a lofty target for our life and understand well the present social value and its historical significance, and obtain the greatest encouragement. Only communist ideals can make us fear neither hardship nor setbacks and enable us to maintain full enthusiasm and the confidence to be successful in our revolutionary cause. When necessary one must sacrifice one's life without any hesitation. The reason why we emphasize the necessity for bringing the people's initiative into play by carrying out communist ideological education is that within the sphere of the whole society, we will enable the people to have a communist work attitude, social relations based on love and unity and the noble character of wholehearted dedication to the people's cause so as to bring forward the smooth development of our socialist modernization and to meet in a better manner the daily increasing needs for material and cultural life of all the members of society.

Energetically carrying out communist ideological education in the course of socialist modernization is a motive force for bringing the people's initiative into full play, as well as a motive force for victoriously developing our cause. With this motive force, our cause will certainly have a bright future and unlimited prospects.

CSO: 4004/14

WHY MUST PLANS OF A MANDATORY NATURE BE ENFORCED WITH REGARD TO IMPORTANT PRODUCTS AND KEY ENTERPRISES?

Beijing RED FLAG in Chinese No 22, 16 Nov 82 pp 43-44

[Article by Zhao Mu [0340 3663]]

[Text] Plans of a mandatory nature are those which have a binding force and are transmitted by the state to the lower levels. They are worked out by the state's planning departments and are transmitted to enterprises and departments, which should seriously execute them and complete them as scheduled. They are an important form of planned management of the national economy in a socialist state through the conscious implementation of economic principles.

In view of the actual situation of our planned economy, plans of a mandatory nature should be enforced with regard to the production and distribution of production means and means of subsistence which are vital to the state-owned economy, in particular key enterprises which are vital to the entire economy. This is an important reflection of the organization and management of production in socialist ownership by the whole people. Under the ownership by the whole people, the production means and products of enterprises do not belong to the enterprises, but to the state, which represents the entire nation. The state is the organizer and leader of the economic system of ownership by the whole people. Based on existing resources and productivity, and on the objective demand for various scales of socialized mass production, the state coordinates and directs the economic activities of enterprises under the ownership by the whole people through state plans. At the same time, a certain amount of independence and autonomy are given to such enterprises. These enterprises are not the independent owners of production means, but economic units which are under the state and enjoy a certain autonomy. They have the responsibility and obligation to carry out mandatory plans transmitted by the state. Only in this way can the completion of state plans and the state's control over the production means and products of state-run enterprises be ensured.

The fact that plans of a mandatory nature must be enforced with regard to important products and key enterprises which are vital to the state-owned economy is a prerequisite for the successful development of the entire national economy. Why?

Socialist economy is a planned economy. The execution of mandatory plans is the main body of the planned economy. The adherence to mandatory plans is the key to the adherence to the planned economy. State-owned economy plays a leading role in the national economy. Because of their significance and production value, products under mandatory plans constitute a major portion of the national economy although they only constitute a small portion in terms of variety. Mandatory plans ensure the state's control of the entire economy and the production and supply of key industrial raw materials, facilities, energy and basic necessities, so that the basic stability of market and price can be maintained and chaos in the whole of economic life can be avoided. Plans of a mandatory nature constitute a restriction over the economic activities of enterprises. At the same time, they serve as an assurance, for they provide the enterprises with key facilities, raw materials, energy and external conditions for the sale of products.

Through mandatory plans, the state directly adjusts the main body of social production, ensures that key constructions and urgent social needs are provided with vital industrial raw materials and energy, increases short-term products and put restrictions on long-term ones, so that proportion and balance among departments can be maintained. Under circumstances in which prices are unreasonable and basic readjustment is impossible in the short run, the effect of mandatory plans becomes more significant. Enterprises' partial and immediate interests are often in contradiction with the state's overall and long-term interests. Mandatory plans are often required to resolve such contradictions. They can directly reflect the objective demands of basic socialist economic principles and those of the principles of planned development. Cancelling or diminishing the necessary realm of mandatory plans will give rise to blind and repetitive construction and production, incur loss and affect economic development.

The enforcement of mandatory plans brings the efficiency of guiding plans into full play so that under the condition that planned economy takes the lead, they help regulate the market, thus serving as an effective supplement to the planned economy. In the past we one-sidedly emphasized mandatory plans, doing so strictly and excessively that we neglected the effect of economic lever and market regulation. This was one of the causes of drawbacks such as production being out of line with demand and poor economic results in enterprises. The economic system reform under way also aims to work out a solution to this problem. In his report made at the 12th CPC Congress, Comrade Hu Yaobang pointed out that, apart from plans of a mandatory nature, economic levers would primarily be applied to quite a few products and enterprises, to ensure the implementation of guiding plans. The production of various minor commodities would be freely arranged by enterprises in accordance with changes in supply and demand. Since these three forms of management are in harmony with the level of our productivity and the coexistence of various economic forms, they should be combined organically so that each has a role to play. In this way our economic development will be concentrated, united, flexible and multifarious. Basing on experience gained in the fifties, the fact that the state is in control of the economic lifelines, leading the planned production and circulation of major industrial and agricultural products and the free production and circulation of minor ones is a prerequisite for the prevention of overall economic confusion.

Staple food, cotton, oil and other major agricultural by-products are basic necessities for major industrial raw materials and for the people in cities and rural areas. Due to our huge population, insufficient arable land and backward agricultural production, such agricultural by-products are always in acute shortage. The state should, therefore, set some mandatory targets for collective ownership economy, to ensure that the state is in possession of considerable amount of grain and other major agricultural by-products to satisfy the needs for national construction and the people's livelihood. The collective economy in the rural areas is collective ownership by the laboring masses who have the right to freely utilize their own production means and to distribute their own products. The state should respect the autonomy of units under collective ownership and of the peasants. It should, however, ensure that the interests of such units and peasants are basically in harmony with those of the masses. The development of national construction and the economic development of ownership by the entire people will benefit the agricultural population. Therefore, the state should respect the autonomy of the collective economic units and should also set mandatory targets for the purchase and distribution of staple foods and other major agricultural by-products. Consequently, not only the urban residents but also the masses of peasants will be benefited.

CSO: 4004/14

HOW DO WE CARRY OUT THEORETICAL STUDY AND EXAMINATION?

Beijing RED FLAG in Chinese No 22, 16 Nov 82 pp 45-46

[Article by the Propaganda Department of the Jiangxi Provincial CPC Committee]

> [Text] Editor's note: The decision of the CPC Central Committee and the State Council on educational work among cadres in party and government organizations points out that in the future, the employment and promotion of the cadres must mainly be based on their record of formal schooling and their academic success. Therefore it is necessary to set up a checking and examination system for cadres, study and include their study achievements in their personal files. An important aspect of cadres' education is Marxist theoretical education. In order to set up an examination system for theoretical study, it is imperative to actively carry out study and research and constantly sum up experiences. Over the past few years, examinations have been carried out in a number of places to check on cadres' study of economic theory. Facts prove that such examinations are beneficial to promoting cadres' theoretical study. As a reference, we publish below the experiences gained by Jiangxi Province in its organization of examination in theoretical study.

In July last year we carried out an examination in economic theory for the members of the study groups of the standing committee of prefectural and municipal party committees across the province, and cadres above deputy department head level in the provincial government departments and institutes of higher learning. The contents of the examination were the "study of Marxist theory of reproduction" and a book on economic theory written by Comrade Chen Yun. It was a written examination. The subjects and time of the examination and the correction of examination papers were coordinated by the propaganda department of the provincial party committee. With the exception of a few cadres who could not attend the examination due to their work, sickness or absence on official business, a total of more than 1,600 leading cadres joined the examination, representing 93.3 percent of those who should have attended. At the same time, many leading comrades from county party committees also took part in the examinations organized by the propaganda departments of prefectural and municipal party committees.

The examination was held on a sweltering summer day. The cadres sat the examination with the positive, and serious attitude of primary school pupils. Sweating, they answered the questions conscientiously. Some joined the examination straight after returning from other places, while others joined the examination even though they were not yet fully recovered from illness. Some veteran Red Army cadres also took part in the examination though they were very old and weak. They thus showed a high degree of consciousness.

The results of the examination showed that most of the cadres had grasped or understood the basic principles of the theory of reproduction and the basic viewpoints and proposals on socialist economic construction in our country expounded in Comrade Chen Yun's work on economic theory. A number of comrades were able to explain some questions from the point of view of theory and practice by relating them to their own work and the lessons they have learned from the experiences of our economic construction since the founding of new China. Some put forward original views. The cadres and their units have been informed of the results of the examination and we have also decided to transfer these results to organization departments as a preparation for setting up the files on cadres' study.

The examination has excited strong response among cadres and in society. The whole period of revision and examination was characterized by an atmosphere of intense study, and the examination questions became a main topic of conversation. Such a situation proved that the examination was a good way of checking on the results of study; it is also an important link in doing a good job of theoretical study among cadres.

The following are our methods and experiences in organizing the examination in theoretical study:

1. Unify thinking and fully realize the significance and role of the examination.

There are different views as to whether it is necessary to carry out examinations in cadres' theoretical study. Some oppose the examination on the grounds that it is just a formality. We hold that such view is wrong. The CPC Central Committee has reiterated the importance of stepping up cadres' theoretical education. The CPC Central Committee also suggested gradually setting up an examination system for cadres' study, include the results of the examinations in cadres' files and take the results as a criterion in employing cadres. These results will no doubt play an active role in changing the situation in which it is considered of no consequence whether, or how much, one studies.

Some others hold that theoretical study mainly depends on one's consciousness and not on "pressure." This view needs analyzing. It is true that the examination exerts some "pressure," but if such "pressure" is properly used, it will become a "motive force" enabling the broad masses of cadres to study consciously. Consciousness in study is not innate, it has to be constantly raised in the practice of study and through gaining deeper understanding of the importance of theoretical study. For example, previously, some comrades held that the theory of reproduction expounded in "Das Kapital" Vol I may not be useful today because it was written by Marx more than 100 years ago. But when they took part in study and began to go into the question, their understanding changed and they even began to feel "regret" that they hadn't studied the theory of reproduction earlier. Many comrades said that in general they had the following experiences in their theoretical study: They were baffled the first time, had their ideas straightened out the second time and became interested the third time. If there was no "pressure" when cadres were baffled by their study, they might have been satisfied with gaining a smattering of knowledge but there would be no "interest" in study and consequently no way of raising their consciousness. It is evident, therefore, that examinations are necessary, to exert a certain "pressure" and promote cadres' theoretical study.

In fact, the majority of the cadres supported the examination. In particular, those comrades who paid attention to theoretical study, and scored higher achievements generally, were very eager to sit the examination. All comrades held that in the whole process of theoretical study it is necessary, after completing the study of a subject, or having reached a certain stage, to review, examine and consolidate the results of the study so as to sum up experiences and carry out new study tasks.

2. Clearly define the purpose of the examination and grasp well pre-examination revision.

In organizing study and examination, it is important to have a definite purpose. The purpose of the examination is to check the results of the study and promote it. In order to reach this goal, it is imperative to do a good job of pre-examination review.

The examination was announced 3 months in advance, and the contents and methods of the examination and the qualifications for sitting it were also clearly defined. A total of 27 subjects for consideration during reviewing period were printed and distributed across the province and these subjects were based on the main contents of the above-mentioned two books and particularly on the basic principles and viewpoints to be grasped. After reviewing the subjects for consideration, the various units concerned made definite arrangements for their cadres to study the subjects systematically. This review was useful in making up gaps in the study and consolidating and expanding its achievements. Reaction from various places showed that through review, cadres have been able to systematically understand and digest what they have studied sporadically in a year and to understand the questions that they did not or did not completely understand previously. The review was really effective.

3. Organize the first examination meticulously and carefully.

It was the first time we had organized such a provincewide examination. With a spirit of organizing the first examination meticulously and carefully, examination leading groups have been formed in the propaganda department of the provincial party committee and the party committees of the provincial government departments, while some comrades have been formed into a working group to be responsible for working out subjects for the examination, correcting examination papers and doing propaganda work. A meeting was also held for the secretaries of the study groups of the standing committees of the prefectural and municipal party committees to study the matter of the examination and other concrete questions and define the methods for solving some common problems.

An important question in organizing examinations properly is to work out the subjects for an examination according to the features and study level of the candidates. The candidates of this examination were leading cadres; most are quite old and not in particularly good physical condition, while their cultural levels are far from balanced. They were carrying out their study while working, and in fact only spent 1 month on study. Accordingly, we set several rules and regulations for defining examination subjects: 1) Many types of questions. We defined five question types for the examination: filling in the blanks; judging; answering questions; exposition; additional questions. Many questions only required short answers. 2) A proper degree of difficulty. The contents of the former three subject groups are about basic concepts and basic principles and were not difficult to answer if the candidates carried out their study and review conscientiously. The fourth group was relatively difficult and could only be answered by combining the understanding of the two books. The fifth group, that is the additional questions, required cadres to write their own experience, by combining theory with practice, from the point of view of whichever basic principle or main view they were most familiar with. This group was for those with higher level to "show their full ability," and this group gave us an idea of the breadth and depth of their study. 3) The questions emphasize basic concepts, basic principles and their use. We did not work out overdifficult or odd questions, nor did we work out questions which are still under discussion in theoretical circles or which require mathematics. 4) The number of questions was based on ordinary writing speed such that all of them could be completed in 2 1/2 hours (the time given for the examination was 3 hours).

After the examination, the candidates expressed satisfaction with the questions while the results of the examination were not far from what we expected. Contrary to our expectations, more than 70 percent of the attendants completed the additional questions.

4. The party committee pays attention and the leaders take the lead.

The results of the examination were satisfactory thanks to the attention and support of the provincial party committee prefectural and municipal party committees and the party organizations of the various units of the provincial government and leading comrades at all levels who took the lead in the study.

The provincial party committee supported our decision to hold the examination. Prefectural and municipal party committees and leading comrades of various provincial government departments also paid great attention to the examination. Many units held special meetings to check the situation of study and work out revision plans. Effective measures were taken to supplement the study and revision so as to ensure that the majority of the cadres could sit the examination and gain better results. Fuzhou prefectural party committee decided to join the provincial regular and unified examination and consequently it arranged a certain time for reviewing even though the prefecture was at the time seriously hit by floods and was busily engaged in relief work. Senior leading comrades of Zhangzhou prefectural party committee and two other leading comrades had official duty on the day of the examination; consequently they sat the examination at 8:11 pm that day. Some provincial government departments were having meetings that day, so the leadership made special arrangements and sat the examination before they began their own meetings. Without the attention of the party committees at various levels and support from leading comrades, it would not have been possible for the examination to draw so many cadres and achieve such good results.

The examination is our trial project for setting up a system for cadres' official theoretical study, and there were a number of shortcomings to this work due to the lack of experience. We will continue to spare no efforts and in the process of studying the documents of the 12th party congress, we will gradually set up and perfect the cadres' study and examination system so as to promote cadres' theoretical study in our province.

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IN STUDYING THE 12TH PARTY CONGRESS WE MUST GET FIRMLY TO GRIPS WITH ITS BASIC SPIRIT

Beijing RED FLAG in Chinese No 22, 16 Nov 82 p 47

[Article by Li Ping [3810 1627]; reprinted from Sichuan's XUEXI [STUDY] magazine, No 4, 1982]

[Text] In the report delivered by the CPC Central Committee to the Central Propaganda Department entitled "Arranging the Study and Dissemination of the Documents of the 12th National Congress of the CPC," it was stated that in his opening speech to the 12th national congress, Comrade Deng Xiaoping gave an overall clarification of the historical position of the 12th national congress, the tasks of the congress and the essence of the documents of the 12th national congress. All levels of the party committee should use this opening speech as their guiding ideology and get fully to grips with studying and disseminating of the documents of the 12th national congress and studiously organize their implementation. This general guiding ideology provided by the Central Committee points us in an extremely clear direction in our organization of the study and dissemination of the party's 12th national congress documents.

The party's 12th national congress documents represent shining examples of Marxist literature, rich and profound in content and crystallizing the assimilation of historical experience and the collective knowledge of the party. In his opening speech, Deng Xiaoping stressed that "our modernized construction must be carried out with China's present actual situation in mind," "to construct socialism of a Chinese nature," "and we must rely on the strength of the Chinese people in order to carry out our work," "and cherish our rights of independence and initiative which we have struggled so long to gain. No foreign country may ever try and make China their vassal, nor should they imagine that China shall eat any bitter fruit which would damage the national interests of our country." While stressing his support for China's open door policy he went on to say that we must "continue to resist the corruption resulting from decadent foreign ideology and on no account should we permit the spreading of bourgeois life styles in China." We must gain a profound comprehension of the essence of this speech and diligently propagate it, to stimulate an enormous increase in patriotic fervor throughout the party and the masses. In his opening speech, after clarifying the three major tasks of the people during the 1980's, Deng

Xiaoping listed the four items of work which must, as of today, be tackled immediately by the entire party for a long time to come; namely, to carry out restructuring of mechanization and of the economic system: implement revolutionarism, youthfulness, increased knowledge and expertise amongst cadre groups; establish a socialist spiritual civilization; crack down on and break up antisocialist corruption and crime in the economic and other sectors; on the basis of thorough study of the new party constitution reorganize party style and organization. These are the most important guarantees of our support for the socialist direction and the joining together of our forces to carry out modernized construction. The general outline of the basic essence of the 12th national congress documents also states that it is under the guidance of communist ideology that we support the socialist direction and join together our force to carry out modernized construction and get firmly to grips with the four major items of work. The full documents and all the activities of the 12th national congress completely embody this point and in our study and dissemination of the documents of the 12th national congress it is vital that we fully grasp its fundamental essence.

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RAISE THE COMMUNIST SPIRIT, STUDY WELL THE 12TH PARTY CONGRESS DOCUMENTS

Beijing RED FLAG in Chinese No 22, 16 Nov 82 pp 47-48

[Commentator's article by XIN CHANGZHENG--from Jilin's XIN CHANGZHENG [NEW LONG MARCH] No 9, 1982]

[Text] An utterance, an article and a meeting are all very refreshing things. The most refreshing thing about the 12th national congress may be summed up in one word--communism. Communist targets, communist practice and communist ideology were interwoven through the documents and decisions of the 12th national congress like a red ribbon. Thus, when we study the 12th national congress we must bring out this communist spirit. In other words we must stand on the high level of communism to understand and comprehend the essential spirit of the documents of the 12th national congress and get to grips with the fundamental direction of every policy and task outlined and decided upon in the 12th national congress.

Comrade Hu Yaobang made it very clear in his report when he said: "In order for communism to achieve full realization as a social system in China we still face several generations of long and arduous struggle. But communism is first and foremost a movement--and the final aim of a movement such as this is to achieve a communist social system." Thus we must integrate closely our present practice with our future aims and take the 12th national congress as the correct road for establishing a new phase in the socialist modernization program and integrate it and its policies closely with our long-term ideal of achieving communism. We must both keep this in mind and adhere to it. Since the establishment of the PRC, the problems that we have come up against during the course of our socialist construction work have many different causes behind them but we can in essence say that they were all the result of insufficient or inept handling of just this relation. Thus, during the stage of socialism we must support and believe in guidance by communist ideology and improve and strengthen the teaching of communist ideology without hesitation or faltering. Furthermore, under guidance by communist ideology we must draw up policies and plans based on our present situation and then fully support and endorse their implementation. In other words, we should not separate communism and socialism either on a theoretical or a practical basis, nor should we oppose them to one another. Furthermore we should not confuse socialism and communism in their developed stages nor equate the two of them on this level. Only in this way can we keep our feet on solid ground but have a clear view into the long-term future. And only in this way can we ensure that the communist movement progresses along correct lines and with healthy development from the beginning to the very end.

An important lesson that we have learned in the past is that sometimes our understanding of socialist society becomes very one-sided and biased. History has proven to us that vacuous politics, setting up "spiritual omnipotence" or aiming for similar extremes and thereby ignoring and weakening political and ideological work, thus seeing only material factors and ignoring the human ones, only tends to obstruct the progression of our cause and can even create serious damage. Thus it was that Comrade Hu Yaobang pointed out in his report, that socialism is constantly moving nearer its high level target of communism and this progression cannot only rely on increases in material wealth, it must also rely on the constant elevation of the people's communist ideological consciousness and the constant activation of the revolutionary spirit. If under the guidance of communist ideology we ignore the great task of establishing a socialist spiritual civilization throughout society then it is impossible to guarantee a socialist direction for our modernized construction program and thus our socialist society will lose its ideals and its aims as well as its spiritual force and fighting will with the result that we will be unable to resist corruption by all kinds of degenerate factors and we may even end up seeing lopsided development and the appearance of decadence and evil ways.

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THE INTELLECTUALS ARE A FORCE ON WHICH THE MODERNIZATION PROGRAM DEPENDS

Beijing RED FLAG in Chinese No 22, 16 Nov 82 p 48

[Article by Zhang De [4545 1795]--reprinted from Jiangsu's QUNZHONG [THE MASSES] No 19, 1982]

[Text] In order to fully get to grips with such vital tactical points for the development of the economy as education and science, to allow full expression to intellectuals during the process of constructing the two kinds of civilization, and to struggle for the realization of our tactical aims, the following items of work must constantly appear on the agendas of every level of party and government bodies.

1. While studying and disseminating the spirit of the documents of the 12th national congress we must remember to study and promote the policy toward intellectuals. In this way the entire party and the masses will come to understand and appreciate that the key to realizing the four modernizations program lies in the modernization of science and technology while the foundations lie in establishing a sound education.

2. We must continue to implement the party's policy on intellectuals. This includes rectifying leftover problems of cases of injustice, carrying out communist ideological education among intellectuals, study by intellectuals of their tasks and duties and gradual improvements in the working and living conditions of intellectuals, based on feasibility and necessity.

3. Draw up 5 to 10 year plans and clear targets for such cultural undertakings as education, science, culture, hygiene and physical education on the basis of overall balance.

4. Take care to develop and foster activists amongst intellectuals, particularly middle-aged intellectuals, to develop party members and thus strengthen the party ranks. Furthermore we should take care to select cadres from amongst the intellectuals to enrich every level of the leadership bodies and thus improve the intellectual structure of party and government bodies as well as leading cadres in enterprise and work units. People generally dislike it when confused orders are issued but cold and objective analysis shows us that the issuing of confused and wrong orders by leading bodies and cadres cannot always entirely be traced back to

intentions and morals of the individual leaders; more importantly, such events are the result of two objectively existing factors. One is that they have the power to issue orders. The other is that they lack the necessary intellectual knowledge for their area of leadership. Let us use a formula to explain this: power plus lack of knowledge equals the issuing of confused and incorrect orders. Production needs unified leadership and leadership needs authority. Authority thus requires that someone submits to the authority since authority can only exist under the premise of having someone to submit to it. In order to avoid the issuing of confused or incorrect orders the leadership bodies should be made up of people "in the know." Leading cadres must be "in the know" and an important condition for being in the know is that one has the specialized knowledge to carry out one's own work.

5. We must make use of all methods acceptable to intellectuals to constantly urge them to consciously raise their political consciousness and to consciously make use of new knowledge to enrich themselves. Furthermore they should consciously make use of the principles of socialism to correctly handle all kinds of relations including the relations between the individual and the collective, the intellectual, the worker and the peasant, and the internal relations between old, middle-aged and young intellectuals and the relations between work responsibility and glory, and treatment.

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RANDOM TALKS ON PROFESSIONAL ETHICS

Beijing RED FLAG in Chinese No 22, 16 Nov 82 inside back cover

[Article by Lin Wenshan [2651 2429 1472]]

[Text] As everyone strives to promote the establishment of a spiritual civilization, joyous reports of good deeds have been pouring in. Two such reports, concerning scientists, can be seen in the YANGCHENG WANBAO.

One is: Comrade Xiong Jincheng and Comrade Zhou Zuoling were both separately engaged in research but arrived at the same results. In assessing his "honor of being first" to arrive at the results, Comrade Xiong Jincheng, who was first to publish his thesis, openly stated that the honor of being first to arrive at the results should go to Comrade Zhou Zuoling, who published his thesis later. Seeking truth from facts, Comrade Xiong Jincheng stated that he only entered this field of work after being introduced into it by Comrade Zhou Zuoling. Although Zhou Zuoling's thesis was published only later, it was actually sent off 3 months earlier. As a result it was Comrade Zhou Zuoling who received the research results award. Another is: Researcher Lou Tongmao, head of the geomorphology department of the Guangzhou Geographical Research Institute, put all of his major efforts into supporting the work done by his middle-aged and young researchers. The amount of work that Comrade Lou Tongmao put into many theses from their inception to the final draft was frequently no less than that of the actual writer. When people put his name at the front, he always crossed it out. Under such motivation as his, unity and cooperation became the order of the day throughout the entire department and as a result, last year they made three relatively important scientific achievements, publishing 15 scientific articles.

Of course we are not by any means advocating avoidance of publicity. When listing references and acknowledgements in a scientific thesis or publication, apart from stating whose work the publication involved, it should also state the name of the person in charge and responsible for the line of thinking or the material behind the work. But, let us be honest here, as far as some intellectuals are concerned, acknowledgements do have a great deal of attraction. Comrade Xiong Jincheng and what he did are both worthy of respect for he need only have stayed silent and "the honor of being first" would of course have been his. But he stood up and spoke the truth. For Comrade Lou Tongmao to put his name in the acknowledgements would have been both reasonable and legal. But he did not agree with doing things this way. Using himself he fully embodied the spirit of the so-called "human ladder or chain" thereby encouraging his followers to aim for equally lofty realms. Both of the comrades are not only educated but truly ethical.

It is said that in theatrical troupes in the old society there was a saying, "backbiting art" meaning that between the performers there was often jealousy, struggle for fame and jockeying for position. There was obvious backbiting and covert backbiting--backbiting on and off stage. Obviously all this backbiting gave rise to a great deal of lost energy and a lowering of the artistic effect of performances. This terrible phenomenon of "backbiting" did not of course only exist amongst theatrical troupes, it was also to be found in scientific and various other fields. Such people, fearing that the achievements of others would surpass their own would do everything in their power, using all their authority and connections to stifle the opposition and even going to the extent of confounding the achievements of others. Untalented and uneducated people would use all sorts of means such as plagiarizing and lifting of work in order to take the credit for something. Often the theory would be someone else's, the writing another's, and yet those who had authority would put their names on the work, even at the head of the work. Some people even went so far as to satirize and joke about the true contributors and writers of a piece of work by claiming to be "above material and worldly pursuits."

Under the influence of such a lack of professional ethics, being adept in the "study of contacts and string-pulling" allowed people to enjoy juggling things so that they could profit without working, gaining both fame and wealth, while those who really spent their time working hard on various pieces of work found their lives beset with problems and lived in perpetual terror. Today, enterprises and work places have all expressed the need to lay down a code of professional ethics, and from what we have discussed it is obviously very necessary. Around 100 of China's greatest scientists and experts in technology including Mao Yisheng and Zhou Peiyuan have drawn up a "code of professional ethics in science for workers in science and technology," and this publication includes one criterion for professional ethics as follows: Support creative invention and encourage others to do better than oneself. Such an aspect of professional ethics is a very good thing and embodies the country's and the people's future expectations of workers in science and technology as well as giving voice to all the demands of true and correct scientific workers in China.

Science seeks to establish the truth from facts and without this central aim, what contributions can science make? Liang Qichao wrote a book called "Science in the Qing Dynasty" and it is very well worth reading, both for natural and social scientists. In addition to discussing scientific research during the Qing dynasty it also discusses the scientific mood and professional ethics of that time and there are a few lines which are still relevant to us today. For example:

Everyone considers it immoral to hide or twist facts and proof.

Whoever speaks must prove his words—plagiarization is a greater immorality.

In terms of this question, overbearing manner, incoherent writing or those insinuating ridicule are also immoral.

If we take these few lines and with them examine the situation in science and technology over the last few years we can see that for a variety of reasons this Qing dynasty scientist's methods of evaluating immorality are still to some extent pertinent to some of our scientific books. Thus we must resolve this situation if we wish to see further development to our science and technology.

After the ideological confusion caused by the 10 years of social chaos we must now work hard to make respect of professional ethics common practice. This means that every line of work and research must draw up individual codes of professional ethics and praise good people and good deeds while criticizing bad people and bad deeds. In this way the domain of ideology will once again take up a forward position. Let us hope that from today we receive more and more reports of good deeds and that we hear no more of cases of people in power signing their names to work with which they had nothing to do.

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RED FLAG

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CONTENTS

Be a Qualified Leader of the New Period (pp 2-6)
(Chen Yeping) 1

Be More Conscientiously and Resolutely Politically in Line With the CPC Central Committee (pp 7-9)
(Liu Zhijian) 10

Practicing Family Planning Is One of the Basic State Policies (pp 10-13, 29)
(Qian Xinzhong) 15

This Is Where the Great Hopes of Our Country's Rural Areas Lie (pp 14-16)
(Jing Ping) 23

Development and Perfection of the Economic Responsibility System in Industry (pp 17-20)
(Zhou Taihe) 29

Faced With a New Situation and New Problems, Light Industry Has To Take on a New Look and Attain a Higher Level (pp 21-24)
(Yang Bo) 38

Strengthen the Party's Ties With the Broad Masses of Workers (pp 25-29)
(Yu Yannan) 45

Theoretical Workers Must Train Hard in Basic Skills (pp 30-31)
(Shi Youxin) 53

How To Study the 'General Program' of the New Party Constitution (pp 32-36)
(RED FLAG Theoretical Education Editorial Office).............. 57

Why Is the Policy of 'Unifying With, Educating and Reforming' Intellectuals No Longer Implemented? (pp 37-38)
(Cheng Hong)... 66

Is There Class Character in Spiritual Civilization? (pp 38-39)
(Zhang Qihua).. 69

Why Do We Say That the 'Guiding Principles' Are an Important Supplement to the Party Constitution? (p 39)
(Yong Keyang).. 71

How Should We Understand the Rise of the Third World Being a Matter of Prime Importance of Our Times? (p 40)
(Li Shuqiao)... 74

Jean-Paul Sartre and Existentialism (pp 41-48)
(Liu Fongtong)... 77

Well Done in Taking the Lead in This Respect! (inside back cover)
(Shi Zhonglai)... 89

BE A QUALIFIED LEADER OF THE NEW PERIOD

Beijing RED FLAG in Chinese No 23, 1 Dec 82 pp 2-6

[Article by Chen Yeping [7115 6851 5393]]

[Text] The new party constitution adopted by the 12th CPC Congress added a new chapter on "party cadres" and stipulated in explicit terms the basic requirements that leading cadres at various levels should meet. This is an outstanding characteristic that the party never had in its previous constitution. Why in addition to the requirements, duties and rights of party members, must there be specific stipulations for leading cadres? This is a problem we must properly ponder while we study the new party constitution. Only by profoundly comprehending the essence and significance of these stipulations can we further conscientiously study hard through practice in accordance with the demands of the new party constitution, constantly raise our quality and be a qualified leader of the new period.

It Is the Necessity of the New Period To Set Higher Demands on Leading Cadres

Our country has effected another historical change and ushered in a new developing period. To vigorously develop China and build a modernized socialist country with a high level of civilization and democracy is the common aspiration of the billion Chinese people and also a glorious task given to Chinese communists by our great era. In order to accomplish the most magnificent and creative project in human history, we must not only further eliminate the numerous negative consequences left over by the decade-long internal turmoil and strive to attain a fundamental turn for the better in the state financial situation, social mood and party style within 5 years, but also blaze new trails in the building of socialist modernization with Chinese characteristic. We must not only create a new situation with revolutionary courage, resourcefulness and leading capability, and build material civilization for socialism, but also build spiritual civilization for socialism with communist ideology as its guidance. We must not only have a good grasp of Marxism and Leninism, thoroughly understanding the development and changes of domestic and international situation and formulate a series of principles, policies and a strategic plan that conform to the objective reality, but also take forceful organizational measures to ensure their implementation and execution and effectively prevent and overcome all kinds of interference. This is an extremely arduous and complicated task that needs our utmost and unremitting efforts. In order to attain the general task of the new period at present, the 12th CPC Congress stipulated a clear strategic target, focus and measures, and concerned principles, policies and elected a strong central leadership core. The key for the future is to have large numbers of leading cadres that conform to the needs and characteristics of the new period and through their exemplary and backbone role lead the broad masses on various fronts to carry on highly effective and creative activities in creating a new situation in all fields of socialist modernization. Without this condition, there will be no hope for our cause. Politically, professionally, ideologically and in its style, the new party constitution has set further higher demands on leading cadres. This has precisely reflected the objective demand and at the same time, it is an urgent need of enhancing the self-building of the party and adhering to and perfecting the leadership of the party during the new period.

Although our present ranks of leading cadres were seriously undermined in the 10 years of internal turmoil, through the work of the past few years, they have been gradually readjusted, reorganized and strengthened. Viewed from the situation of the whole, this rank is firm and has its fighting capacity. Our veteran cadres in particular have experienced the struggle and test of various historical periods, made great contributions to the revolutionary cause and accumulated abundant experiences. Although a number of these comrades have become old and infirm and some are going to or will withdraw to the second line, they have kept the lofty sentiments and aspirations of their youth. They are still working hard for the state, sharing the burdens of the party, working for the interests of the people and continuously bringing their role into play. Since the 3d Plenary Session of the 11th CPC Central Committee, the reason why the line, principles and policies of the party have been carried out, why the work on various fronts has achieved great victories obvious to all and why the historical change could be successfully effected under very difficult conditions, is that it is inseparable with the efforts of the leading cadres at various levels. This fact itself has proved that our ranks of leading cadres are worthy to be the backbone force of the party and state. It is wrong if we are not aware of this point.

Certainly, to affirm the essential and main aspect of the ranks of our leading cadres and their important role in developing socialist cause does not mean that everything is perfect. In the past few years, the CPC Central Committee has time and again reminded us that due to historical reasons, not only is the problem of overage common in our leading bodies, but also the theoretical and educational level of a substantial number of our comrades has been rather low. There has been a lack of professional knowledge, particularly of modern scientific and technological knowledge and lack of management and organizational leading capacity to meet the needs of the four modernizations. For instance, some comrades lacked political foresight, they could not correctly apply the stand, viewpoint and method of Marxism-Leninism-Mao Zedong Thought to observe the new conditions and problems occurring in the historical change, could not distinguish the erroneous trend and tendencies and even wavered right and left and got mixed up with erroneous things; some comrades had no idea about the work they were responsible for, could not understand the situation or grasp problems, could not offer ideas or properly use cadres and at every turn lost track of the sequence of events; some comrades had scanty knowledge of new emerging things, still kept to the conventional ways of doing things according to their impression, pattern and model, doubted reform and dared not create new things. Some other comrades were corroded by the ideas of the exploiting class and influenced by unhealthy tendencies, they forgot the great objective of communism, discarded the party's revolutionary tradition and style and were full of selfish and distracting thoughts; some even sought private gains by abusing their power, forgetting all moral principles at the sight of profits and degenerated into vulgar egoists or criminals that gravely sabotaged the socialist cause. All these practices show that there existed among our leading cadres the problem of not adapting to the rapidly advancing era and the new situation after the shift of focus in our work. If we ignore these shortcomings and the gap by which we are lagging behind and fall into blindness, we will be more weak and incompetent in the great struggle to create a new situation in all fields of socialist modernization and fail to shoulder our leading responsibilities. The basic requirements stipulated for leading cadres by the new party constitution have illuminated the correct orientation and way for us to constantly march ahead. Every leading cadre in office and those comrades who are to take up leading posts, must soberly estimate the changing and developing situation, practically realize our shortcomings and weak points, inspire our enthusiasm, work hard and aim high, narrow the gap between ourselves and the needs of building socialist modernization and be a leader with foresight and sagacity and be capable of constantly creating new situations.

Principal Characteristics of the Basic Requirements for Leading Cadres in the New Period

The six basic requirements stipulated by the new party constitution for leading cadres not only summarized the historical experiences of the party in building its cadre ranks, but also in the light of the characteristics and needs of the new period, raised the requirements for leading cadres to a new high level, which has the clear-cut character of the time. Each of the six requirements has its specific substance and they are all interrelated. They form an inseparable whole with each part complementing the other, which manifests the organic unity of being Red and expert, and having both ability and political integrity. We must master the essence and characteristics of these six requirements as an essential whole, comprehensively understand its great significance in perfecting and adhering to the party leadership, preserve the great significance of the building of socialist modernization and conscientiously temper ourselves to be more matured and be further adapted to the needs of the new period.

1. The basic requirements indicate the unity of the scientific nature of revolutionary practice with steadfastness of political orientation of leading cadres in the new period.

A firm and correct political orientation is the foundation for our communists to properly do all work well. Without this foundation, our revolutionary cause is bound to fail and suffer setbacks. The revolutionization of cadres, above all, requires this foundation, in which the most important thing is to uphold the four basic principles with the party leadership as its core. In the basic requirements, the first one indicates that it is necessary for the leading cadres of the party to "have a fair grasp of the theories of Marxism-Leninism-Mao Zedong Thought and the policies based on this, and be able to adhere to the socialist road, fight against the hostile forces disrupting socialism and combat all erroneous tendencies inside and outside the party." That is to say, as a leading cadre of the party, he must not only be a firm revolutionary, but also be a sober-minded Marxist; in addition to being loyal to and fighting all his life for the cause of socialism and communism, he must also genuinely master the basic principles of Marxism and be good at applying the stand, viewpoint and method of Marxism to correctly handle all sorts of practical problems. If we are not qualified with this requirement and fail to differentiate real from sham Marxism, true from false socialism and fail to distinguish and resist the interference from "left" and right deviations, we will then not be able to keep to the firm and correct political orientation. Why is that among some of our leading cadres with good intentions, they have run their work wrongly or foolishly and were even deceived? Why is that some people who have not fully realized the correct line, principles and policies of the party and were obviously wrong in not properly implementing them, and have blamed the party's policies for being "changeable"? Why is that some people were busy the whole year round, but still could not get to grips with the essentials in their work and failed to create new situations? In addition to the respective and specific reasons, one of the important and common weak points is that they neglected the study of Marxism-Leninism-Mao Zedong Thought and did not know and were not good at applying the Marxist stand, viewpoint and method to understand the new situation, realize newborn things and study new problems and could not soberly and correctly guide their work, resulting in the confusion of right and wrong by taking truth as falsehood and vice versa. If this work is not first solved, we will get nowhere in all other work.

Leading cadres who are determined to carry out reforms and are keen to forge ahead must have a firm and correct political orientation and also a practical scientific attitude as well. With only the former and without the latter, we are bound to make mistakes or even go contrary to our wishes and do the opposite of what we would wish. Due to the influence of dogmatism and bookishness, some of our comrades have probably forgotten to "proceed in everything from actual conditions"--the fundamental principle of Marxism. They were used to mechanically copying and relaying the instructions of the higher level and believed themselves to be running affairs according to the principles and to be politically in unity with the CPC Central Committee. It is quite obvious that this is a muddled idea. Since the 3d Plenary Session of the CPC Central Committee, the line, principles and policies laid down by the CPC Central Committee on the basis of setting things right were itself an outcome of the combination of adhering to the scientific attitude of Marxism-Leninism-Mao Zedong Thought with the specific practice of the great historic change. Without a scientific attitude of seeking truth from facts, it would be impossible to correctly comprehend its spiritual essence, still less to correctly and creatively carry it out. This is the fundamental reason why those empty talkers who knew only how to shout slogans and brag, and those boorish people who acted blindly and recklessly in spite of subjective and objective conditions, were bound to change and distort the line, principles and policies of the party. Therefore, leading cadres at all levels must attach great importance to theoretical study, conscientiously read books, be bold to practice and learn to apply Marxism-Leninism-Mao Zedong Thought in guiding their work. At the same time, they must frequently make investigations and study, know the situation well, firmly grasp principal problems, make great efforts to master the objective law of the building of socialist modernization, persist in seeking truth from facts and correctly lead the masses. Only in this way can we rationally and effectively organize the people's initiative and creativeness to become a powerful strength in conscientiously promoting the building of the four modernizations.

2. The basic requirements indicate the unity of strong revolutionary dedication with the political sense of responsibility and ability of being competent at leading work of leading cadres at the new period.

The new party constitution has demanded that leading cadres at various levels "be fervently dedicated to the revolutionary cause and be imbued with a strong sense of political responsibility and be qualified for their leading posts in organizational ability, general education and vocational knowledge." It is quite necessary to put forward these demands on leading cadres in the new period. Leading cadres at various levels are organizers and leaders in creating a new situation in all fields of socialist modernization. Whether or not they have the great objective of communism in mind and are highly responsible to the party and people by devoting themselves to the building of spiritual and material civilization, fear no difficulties and are bold to do pioneering work has great importance to the success or failure of the cause of socialism. It is quite impossible for people who lack political foresight and have no revolutionary enthusiasm and confidence in winning victory to shoulder such heavy responsibility, but to build a socialist country with Chinese characteristics, we need to combine the universal principle of Marxism with the development of concrete practice of China's socialist construction and rely on our own practice in exploring and advancing ahead. In order to meet this demand, we must not only carry on our fine character and strong points but also have the new quality and capability required by the new period and possess the relevant educational level, professional knowledge and organizational ability. Otherwise, our revolutionary cause and political sense of responsibility cannot be properly implemented and our good wishes for creating a new situation will also fail. We must assiduously learn cultural and scientific knowledge, be proficient in our professional work, possess organizational capability and management experience for being competent at the leadership job and genuinely achieve the unity of being Red and expert, and having both ability and political integrity. Only in this way, can we correctly, timely and specifically guide practical work and earnestly shoulder the heavy responsibility of leading the building of the four modernizations.

Due to a series of political movements and the influence of "left" deviation in our guiding ideology, for years we neglected and even ceased to conduct cultural education and professional training of cadres. What is more, the problem of rational use of talents was not properly solved. That is why in the leadership bodies at various levels, there were very few university or college graduates or those equal to this level, who were proficient in their work and familiar in management, which resulted in many difficulties in our work. This contradiction became more acute after the focus of our party work was changed. Leading comrades of the CPC Central Committee time and again pointed out that the realization of the four modernizations rested on whether or not we could make the ranks of cadres more revolutionary, younger in average age, better educated and professionally competent. We must fully realize the gravity and urgency of this problem. History is developing and matters are changing all the time. There are endless new conditions and problems that need to be studied and solved. Many new tasks compel us to master more new knowledge and skills that we never approached or were familiar with before. If people always think of themselves as "O.K.," "not too bad" and do not have the determination or resolution to conform to the criteria of cadres, then certainly they forfeit the qualification to be a leader in the new period.

3. The basic requirements indicate the unity of the fine character of wholeheartedly serving the people with the principle of party spirit of being boundlessly loyal to the party's cause of leading cadres of the new period.

The new party constitution has demanded that leading cadres at various levels "have a democratic work style, maintain close ties with the masses, correctly implement the party's mass line, conscientiously accept criticism and supervision by the party and the masses, and combat bureaucratism" and "exercise their functions and powers in the proper way, observe and uphold the rules and regulations of the party and the state, and combat all acts of abusing power and seeking personal gain." This requirement has great significance to the building of cadre ranks and leading bodies at various levels in the new period. Our party is the party in power and our country is a socialist state led by the working class in which the entire laboring people are masters of their own. Regardless of the level of their position or limits of power, party cadres are public servants of the people. The people entrust the power to us because they are confident that we can represent the interests of the people and loyally run affairs in the interests of the people. Long ago Comrade Mao Zedong said: "The Communist Party is a political party which works in the interest of the nation and people and which has absolutely no private ends to pursue. It should be supervised by the people and must never go against their will." ("Selected Works of Mao Zedong," Vol 3, p 767) He also said: "Our duty is to hold ourselves responsible to the people. Every word, every act and every policy must conform to the people's interests, and if mistakes occur, they must be corrected--that is what being responsible to the people means." ("Selected Works of Mao

Zedong," Vol 4, p 1074) Here Comrade Mao Zedong not only clearly defined that "all for the people" is the fundamental purpose of the party and the starting point and end result of communists in running anything, but also expounded the uniformity of wholeheartedly serving the people with being loyal to the party's cause, and the activity of being responsible to the people with being responsible to the leading organs of the party. To be responsible to the interests of the people means being responsible to the party. At present, the fundamental interest of the people of the whole country is to unite the broad masses of people and strive to build China into a modern socialist country. If we deviate from this fighting objective, it would mean to go against the purpose of the party to serve the people and it would be out of the question to be responsible to the party and the people. Any viewpoint and acts that separate or isolate the two are wrong.

The prestige of our party and leading cadres is not established on the power entrusted to us by the people but on what we have done for them. Power has real strength and is effective only when it is combined with the will and interests of the people. Any power, departing from the interests of the people and without the confidence and support from the people, is bound to be weak and unreliable. Our party has always emphasized that leading cadres of the party must genuinely and sincerely respect, have faith in and rely on the people, persist in the mass line, consult with the masses when matters arise, listen attentively to the voice of the masses at all times, be concerned with the well-being of the masses, consider and be eager to meet the needs of the people and resolutely oppose any acts that are harmful to the interests of the people. Under the education of the party over a long period of time, the majority of our leading cadres could fulfill their duty, wholeheartedly serve the people and were worthy of the name of being public servants of the people. But there are also a minority of people who have become lords and officials, have forgotten the deserved revolutionary character and lofty sentiments of communists and have abandoned the tradition and fine spirit of our party. They abused their power at hand and engaged in vulgar interests and sought personal gains for themselves, relatives and friends; or practiced in one man has the final say, standing high above the masses, riding roughshod over them, not listening to the opinions of the masses and accepting supervision by the masses; or ignored the well-being of the masses and felt apathetic toward the urgent and rational demands of the masses. These behaviors and bureaucratic airs that harm the interests of the people have seriously impaired the prestige of the party and government, dampened the enthusiasm of the masses and are very harmful to the building of the four modernizations. The stipulations of the new party constitution in this respect will be conducive for party organizations and the masses of the people to publicly and effectively supervise leading cadres at various levels, so that they can be strict on themselves, forever maintain the true qualities of being public servants of the people and conscientiously perform the duties the party and people have entrusted on them.

Look Far Ahead, Aim High and Advance Despite Difficulties Are the Deserved Characteristics of Leaders in the New Period

In the final analysis, the basic requirements for leading cadres is that they must be firm, sober-minded and promising Marxists and leaders of the socialist cause. Confronted with this earnest problem, what should the leading cadres at various levels do? There are but three kinds of attitudes: The first attitude is they judge the hour and seize the situation, advance despite difficulties and in accordance with the demands of the building of socialist modernization, study hard through practice, raise their level, improve their work style and strive to be qualified leaders; the second attitude is that they are not willing to face the practically existing contradiction, lack determination and boldness in marching forward, blame everyone and everything except themselves, hesitate to press forward and let things drift on and on; and the third attitude is that they have the intention to forge ahead but are not willing to do practical work, talk too much but do a little, are very lazy and have little drive, dare not take big strides and are not capable of creating a new situation. It is obvious that the first attitude is more practical and realistic. Only by unswervingly working can we make progress. We surely will not learn from the latter two, which manifest a low spirit. Although it is an old saying that "a boat sailing against the current must forge ahead or it will be driven back," it is philosophical. If we do not study and make progress, we are bound to lag behind the situation and be eliminated by the huge waves of the times.

However, it is no easy job to fully acquire the demands of the basic requirements. We must set strict demands on ourselves and make great efforts. But since we are leading cadres of the new period, we must be responsible to the great cause of socialism, the millions of people and the coming generations. There is no other criteria than the above and we must never hesitate to set strict demands on ourselves. Are these requirements unattainable? Certainly not. In the ranks of our existing leading cadres, whether they are cadres of higher or of grassroot levels, old or young, have a solid or poor base, there are many comrades who conform or basically conform to the six requirements, and none of them could reach this level without hard work over a long period. "Where there is a will, there is a way." The key is whether we have this "will" or not and whether we are willing or not to put in a lot of effort in study. Here there is a fundamental problem of communist consciousness, that is, the understanding and attitude on the building of the four modernizations at the present stage. Provided we have a high sense of responsibility toward the party's cause, know our own limitations, are genuinely aware of the hidden danger of our insufficiency and the gap by which we lag behind, sincerely and not perfunctorily come to realize from blind complacency and sticking to the old ways, and are determined to rouse ourselves to catch up, no matter the disparity of our gap and insufficiency, we are sure to catch up and keep pace with the times. Modern science and technology is changing with each passing day and the cycle for new knowledge is getting shorter and shorter, particularly at a time when our country is confronted with a profound change and, new problems and conditions are emerging one after another. Even to those comrades who have a high level of education and profound experiences, there is also a problem at present of studying and constantly studying. If we are merely satisfied with our past knowledge and experience and do not make new explorations, it would also be impossible to meet the needs of our work and play the role of passing on experience, giving help and setting examples in training new cadres. As for those young cadres who have been elected to the leading posts at various levels, they should further spur and measure themselves by the six requirements in all matters, redouble their efforts and strive as early as possible to be competent in the duties they undertake. Inspired and guided by the spirit of the 12th CPC Congress and with the ardent expectations of the people of all nationalities throughout the country, we are confident that the leading cadres at various levels will profoundly realize the historical responsibility they are shouldering, further set strict demands on themselves, study and work hard, make themselves leaders qualified for the new period at an earlier date and remarkably accomplish all the tasks the party and people have entrusted us with.

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BE MORE CONSCIENTIOUSLY AND RESOLUTELY POLITICALLY IN LINE WITH THE CPC CENTRAL COMMITTEE

Beijing RED FLAG in Chinese No 23, 1 Dec 82 pp 7-9

[Article by Liu Zhijian [0491 1807 1017]]

[Text] It is a matter of prime importance for the whole party, the whole army and the people of all nationalities throughout the country to study, publicize and implement the documents of the 12th CPC National Congress. At present, the vast number of commanders and soldiers in our army are conscientiously studying these documents. They are making efforts to unify understanding and action in the light of the program, policies and principles put forward by the 12th party congress, and are striving to fulfill the glorious tasks the party and the people have entrusted to them and to make more contributions in safeguarding and building our socialist motherland. We have much work to do. But to the people's army, which is under the leadership of the party, the most important thing to do is to keep political unanimity with the CPC Central Committee. This is a principle of party spirit, which all Communist Party members and party organizations at all levels must adhere to. It is also a political principle and an organizational principle that all cadres and fighters must abide by. Consciously keeping political unanimity with the party Central Committee is an important sign of whether we are conscientiously studying and implementing the documents of the 12th party congress and an important guarantee for creating a new situation in modernizing and regularizing our revolutionary army under the leadership.

Since the 3d Plenary Session of the 11th CPC Central Committee, in accordance with the directives of the CPC Central Committee and the Central Military Commission, the CPC committee of our PLA units has repeatedly emphasized that keeping political unanimity with the CPC Central Committee is a matter of fundamental importance that must be firmly grasped in doing party committee work and political work. It has also put forward concrete demands and measures on this fundamental problem and has done much work. Judging from the overall situation, since this problem has been grasped firmly and consistently, most cadres and soldiers are able to conscientiously implement the party's line, policies and principles in the process of shifting the focal point of our party's work, and marked progress has been achieved in various aspects of our work. However, we must not be satisfied with these achievements. Instead, we must realize that the 12th party congress has set a higher demand for us on the question of keeping political unanimity with the CPC Central Committee. We must further do a good job in this respect.

In order to create a new situation in all fields of socialist modernization, the CPC Central Committee pointed out that it is necessary to strengthen party building and enhance the fighting strength of the party to suit the needs and characteristics of the new historical period. Ours is a party of militancy. In order to make it a strong core of leadership in socialist modernization construction, it is necessary to preserve a high degree of centralism and unity in our party. This is a matter of great importance. We must practice democracy within the party, but we must also have a high degree of centralism on the basis of a high degree of democracy. Only thus can the whole party take concerted action in fighting for the common goal, and only this type of party is really militant.

The fighting strength of the party is chiefly displayed through the role played by the core of the party leadership. But how does the core of party leadership display its role? First it must work out and implement a correct line and correct policies and principles, and must do a good job in organizational work as well as in propaganda and education. Second, it must give play to the exemplary role of all party members in various jobs and in social life. A Marxist political party attaches great importance to the formulation of a correct program, for it is a banner from which the masses of people can recognize the party and decide whether they support it. Simultaneously, a Marxist political party also attaches great importance to concrete action. It holds that, in a sense, concrete action is more important, for only when the whole party takes concerted action in fighting for the realization of the party's program can it rally its determination and win real support and the faith of the broad masses of people. For this reason, all party members must take the requirements of making concerted efforts in the whole party as a fundamental principle in dealing with relations between the individuals and the party organization. They must firmly and consciously keep political unanimity with the party Central Committee. If this principle is sabotaged by unorganizationed and indisciplined action, the unity and fighting strength of the party will be undermined and the fundamental interests of the people will be damaged.

Political unanimity must be achieved on the solid basis of ideological unanimity with the party Central Committee. The organizational principle of our party has always been: The individual is subordinate to the organization, the minority is subordinate to the majority, the organizations at lower levels are subordinate to those at higher levels, and various organizations of the whole party and all party members are subordinate to the party's national congress and the Central Committee. This principle and discipline of democratic centralism was established on the ideological basis of a high degree of consciousness. The line, policies and principles of our party are formulated by integrating Marxist-Leninist principles with the concrete conditions of our country. They were from, and are adhered to by, the masses of people. Therefore, without the masses' deep understanding and conscientious support, the party's program and its policies and principles cannot be well implemented merely by means of administrative orders and organizational measures. Thus, when we emphasize the importance of keeping political unanimity with the party Central Committee, it is first necessary to require that all party members have a profound understanding of the party's line, policies and principles both in theory and in practice so that their consciousness can be enhanced in implementation. In other words, we must not only organizationally obey the spirit of the central authorities and make a statement to show our resolute support of it, we must also change our past attitude of knowing only the how without knowing the why and change the status of having only half of the knowledge. Only when political unanimity with the party Central Committee is achieved on the basis of unified understanding and a high level of political consciousness can it be firm and reliable and be able to withstand the test of tortuosity and complications in the process of practice. Now, the 12th CPC National Congress has already put forth fighting programs and tasks for the new historical period and has formulated a series of policies, principles and measures. We must first endeavor to get a deep understanding of the essence of these programs, policies and principles, and grasp their spirit so that we can solve various problems in our recognition by linking them with practice and unifying our understanding in light of these policies and principles.

There is another question that needs to be clarified. When we emphasize the basis of ideological unanimity, we do not mean that if we do not understand the party's policies and principles, we can disregard them and do whatever we like. On the contrary, it means a higher demand for keeping unanimity with the party Central Committee in action. Being Communist Party members, both our words and actions must always be in keeping with the party Central Committee and the Central Military Commission. We must not say or do anything that is not in keeping with, or is even against, the central authorities. This is the political discipline which we must abide by.

We must take concrete action to keep political unanimity with the party Central Committee. Keeping unanimity with the party Central Committee is not an empty slogan, but a principle of concrete action. A fine tradition of our party is that when we say it we must do it. The proletarian political party and the people's army always act on what they have said. This shows that they are highly responsible for the people. We must resolutely carry out the fighting program of the 12th CPC National Congress and adhere in a down-to-earth manner to the party's line, policies and principles, display the spirit of fearing neither hardship nor death, and do our bit for the rejuvenation of the country and the people's happiness. When we say or do anything, we must take the spirit of the 12th CPC National Congress as our guide, take the documents and directives of the party Central Committee as our standard, and obey the unified leadership of the party Central Committee. All party members must unexceptionally and resolutely carry out the principle of democratic centralism which the new party constitution has reiterated, that is, "various organizations of the whole party and all party members are subordinate to the party's national congress and the Central Committee." We will not allow such practices as saying yes but meaning no, complying in public but opposing in private, overtly agreeing but covertly opposing, feign compliance and implementing this principle according to one's likes and dislikes. We will not allow any factional action. We will not allow any pragmatic attitude toward the directives of the central authorities, that is, implementing only that part of the central directives that conforms to the partial interests of some people or their units. We resolutely oppose the trend of ultra-democracy and the decadent behavior of liberalism.

We must actively and creatively implement in our practical work the spirit of the directives of the central authorities. Keeping unanimity with the party Central Committee does not mean to blindly and mechanically carry out the directives of the Central Committee. Instead, it means to implement them in the light of the concrete conditions in our localities and units. We must carry out the directives of the Central Committee in a correct way rather than copy them mechanically in a simplified way. Only thus can we create a lively new situation in our practical work. The CPC Central Committee ardently expects that the PLA will continue to be a great wall of steel guarding our socialist motherland in the great struggle of creating a new situation in all fields of socialist modernization and be an important force in the building of socialist material and spiritual civilization. We must, in light of the actual conditions of the army, make concrete efforts to score new achievements in various aspects, such as in strengthening military and political training and enhancing the fighting strength of the army, in carrying out a long-term activity of learning from the advanced units and individuals in building socialist spiritual civilization, in training a generation of new people who have ideals, morality, cultural knowledge and sense of discipline, in speeding up construction of the frontier defense and in fulfilling the arduous tasks of guarding the frontier and guarding the four modernizations construction. We must make new contributions through our actions for the realization of the party's program and tasks.

In order to keep political unanimity with the party Central Committee, it is necessary to overcome all obstructions of the "leftist" and right erroneous tendencies.

As to various wrong words and deeds, we must carry out education or criticism, sometimes even necessary struggles against them, according to the seriousness of the errors. The present political situation of stability and unity is one of the best in our country since it was established. Permanent stability is an inevitable trend. However, since the pernicious influence of the "Great Cultural Revolution" has not yet been completely eliminated, and due to the corrosive influence of bourgeois ideas and the remnants of feudal ideas, various erroneous ideological trends still exist to different extents within our party, our revolutionary ranks and society. Some people who have been more seriously influenced by "leftist" ideology or bourgeois liberalism do not quite understand the party's line, policies and principles mapped out since the 3d Plenary Session of the 11th CPC Central Committee. Proceeding from "leftist" or right ideologies, they have misinterpreted, doubted and even resisted the party's policies. A small number of people with ulterior motives have adopted an antagonistic attitude toward the party's present policies. Some of them are trying to preserve the erroneous practices of the "Great Cultural Revolution," and some are fundamentally opposing the four basic principles. There are actually a small number of the remnants of the Lin Biao clique and the "gang of four" who are still occupying some leading posts, waiting for an opportunity to make trouble and opposing the correct line of the 3d Plenary Session of the 11th CPC Central Committee. We must keep a clear head toward all this. We must make a concrete analysis of these problems with the scientific methods of Marxism and treat different problems in different ways. Problems of recognition must be solved through persuasion and education; but obstructions from either "left" or right must be resolutely removed, or struggled against if necessary.

Emphasizing political unanimity with the party Central Committee is the need of safeguarding the fundamental interests of the party and the people, and the need of implementing the spirit of the 12th CPC National Congress and creating a new situation in all fields of socialist modernization. It is also a common desire of the broad masses of cadres and soldiers. The unity between the people of all nationalities throughout the country achieved on the basis of the whole party keeping political unanimity with the party Central Committee is a fundamental guarantee of the victory of our socialist modernization drive. We must fully understand this and take effective action.

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PRACTICING FAMILY PLANNING IS ONE OF THE BASIC STATE POLICIES

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[Article by Qian Xinzhong [6929 0165 1813]]

[Text] In his report to the 12th party congress, Comrade Hu Yaobang pointed out: "Population has always been an extremely important issue in China's economic and social development. Family planning is a basic policy of our state. We must do our utmost to keep our population within 1.2 billion people by the end of this century. The total number of births is now at its peak. Excessive population growth will not only adversely affect the increase of per-capita income but also cause serious difficulties in food supply, housing, education and employment, and it may even disrupt stability. Consequently, we must never slacken our efforts in family planning, especially in the rural areas. We must conduct intensive and meticulous ideological education among the peasants. Provided that we do our work well, we can succeed in bringing our population under control." This exposition further expounds the great strategic significance and practical urgency of bringing our population under control in our country and concretely points out the objective, key points and orientation of family planning work. It is the fundamental basis and guarantee for us to make a good job in the promotion of family planning.

I

The population policy of controlling population growth and raising the quality of the population constitutes an important component part of the political and economic policies of Chinese society. As with other policies, China's population policy is also formulated in accordance with Marxist-Leninist theories and with our basic national condition. Therefore, it has a solid scientific foundation and completely corresponds to China's objective reality.

Marxism holds that in the process of the development of human society there consistently exist two kinds of production: "On the one hand, there is the production of the means of subsistence, namely food, clothing and housing and the production of tools needed for this purpose, and on the other hand, there is the production of human beings themselves, that is, the multiplication of species." ("Collected Works of Marx and Engels," Vol 21, pp 29-30) These two productions are inseparable and interrelated. The material production constitutes the foundation of the existence and development of society and also the foundation of the production of human beings themselves. Without it, human beings will be unable to exist, still less to have any descendants. The production of human beings themselves is a prerequisite for carrying out material production. Without a certain quantity set as a minimum population, there could not possibly be any social material production. Under any social system, there exist some proportional relations between the two kinds of production. If the production of man and that of material are mutually coordinated, economic and social development will be promoted. Conversely, if the two productions do not for a long time fit in with each other, economic and social development will be delayed. Under different modes of social production, the consistency between the production of man and that of material has a different nature, characteristics and consequences. In a society where everything is based on the private ownership system, where the material production or the production of population is carried out in a spontaneous and unplanned way, the balance between the two is achieved as it suffers constant destruction. Under the capitalist system, owing to the development of educational and cultural undertakings, family planning can possibly be carried out at the family level. However, taking society as a whole, the production of man is still spontaneous, just as production in specific enterprises is organized, while the production of a whole society is still anarchic. Only under the socialist system, that is, only when the public ownership system of the means of production has been realized and the socialist basic economic laws and the law governing the planned and proportional development of the national economy have come into play and the people have become the masters of society and even the masters of childbirth, can it be possible to put material production and population production under planning within the scope of the whole society, to have the two productions suit each other and to push forward the socialist society. Just as predicted by Engels as early as 100 years ago: "If we say that the communist society will have, in a certain period of time in the future, to carry out readjustment as it has done in the case of material production, and at the same time, it has to readjust the production of man, then it is precisely that society, and that society alone that can do this without the slightest difficulty." ("Selected Works of Marx and Engels," Vol 35, p 145)

Ours is a socialist developing country with relatively backward economic development and insufficiently developed science and education, a country of limited cultivated land. On the other hand, it has a huge population totaling 1 billion people of which 800 million are peasants, a big cardinal number of population, a composition of young people and a rapid rate of population growth. Therefore, how to harmonize the population growth with the increase of the national economy has become a major problem which our state has to solve. In a fairly long period in the past, owing to the lack of experience, we had a one-sided understanding of the population issue and stressed the argument that the more people we have, the easier it will be to accomplish things. This practice ran counter to the objective demands of the socioeconomic development of population growth and resulted in an excessively rapid growth in our population, in a disproportion between our population growth and production development and resulted in serious consequences.

Historical experience and lessons have shown that to carry out the socialist modernization program in a country like ours, while developing material production in a planned way, we must practice family planning and strictly control population growth so that our population will conform with the various plans of economic and social development.

First, bringing our population under control will be conducive to alleviating the contradiction of production of the means of production lagging far behind the excessive population growth and conducive to solving step by step the problem of employment. At present China has abundant resources in labor power. Being restricted by such conditions as funds, the scope of our production and construction cannot be expanded boundlessly. In order to solve the employment of surplus labor power, many enterprises and operating units had to excessively arrange the people waiting for jobs. This was detrimental to raising economic results and labor productivity. Furthermore, the superfluous staff and workers and the increased total amount of wages will mean adding more weight to financial difficulties and bring fairly great pressure to bear on the state. When the PRC was founded, in rural areas the average per-capita cultivated land was around 3 mu but at present it is only about 1.5 mu, constituting a 50 percent reduction. After the introduction of the production responsibility system, labor productivity increased substantially. In many places, about one-third of labor power was saved and as a result the contradiction between a huge population and an insufficiency of arable land become more pronounced. Therefore, from a long-term point of view, strictly controlling our population will gradually lighten the pressure on employment, gradually rationalize and balance the proportion between the working population and the means of production and proceed to contribute to raising the results of industrial and agricultural production and solving the problem of employment.

Second, bringing our population under control will be conducive to solving the contradiction of the production of the means of subsistence lagging far behind the excessive population growth and conducive to steadily improving the standards of living of the people. Since more than 30 years have passed since the founding of the PRC, great advances have been scored in China's national economy and a relatively big absolute number in the increases in the output and output value of industrial and agricultural production has been recorded. However, what everyone got is still limited because our population grows too rapidly. Most of the newly added means of subsistence are consumed by the newly grown population with the result that no proper improvements have been achieved in the people's standard of living and there is still a strain in food supply, clothing, housing, transport, education, public health work and other fields. Strictly controlling our population growth will alleviate the contradictions in these fields, improve the level of the people's material and cultural life and promote the realization of the objective of the Chinese people becoming comparatively well-off by the end of this century.

Third, bringing our population under control will be conducive to solving the contradiction between excessive population growth and the raising of the quality of the population and conducive to fostering talented people who develop in an all-round way--morally, intellectually and physically. The modernization of science and technology is the key link in the four modernizations program, and it therefore requires developing China's education, science and technology, public health work and various other undertakings. However, unplanned population growth is bound to seize China's limited investments in education and health protection and to interfere with the exploitation of intellectual resources and the raising of the quality of the population. Therefore, in order to raise the quality of the population in a planned way and bring up talented people of high quality so as to meet the needs of the four modernizations program, it is also necessary to bring our population under strict control.

Fourth, bringing our population under control will be conducive to solving the contradiction between accumulation and consumption and conducive to comparatively increasing construction funds. The 12th party congress has announced the grand goal of China's endeavors to modernize its economic construction by the end of this century, striving to quadruple the gross annual value of industrial and agricultural production In order to achieve this goal, it is necessary to amass a large amount of funds for construction. Excessive population growth will inevitably increase the part of accumulation funds in the national income and interfere with the level of accumulation needed in accomplishing the objective of economic construction. Therefore, strictly controlling our population is also an important factor for stabilizing the accumulation rate and ensuring the availability of the funds needed for the four modernizations program.

It can thus be seen that practicing family planning and controlling population growth is an important matter which concerns the success and failure of China's socialist modernization program. We must never slacken our efforts in this respect. Any slackening and wavering in our efforts in this respect will cause population expansion and will surely affect the realization of the objective of the four modernizations program and interfere with the happy future of the coming generations of the Chinese nation. This is where the strategic significance of practicing family planning becoming our basic national policy lies.

II

Since 32 years have passed since the founding of the PRC, with the deepening of our understanding of the population issue, China's population policy has constantly been developing. In the early 1950's, we never controlled our population and for a time even encouraged growth in our population; in the late 1950's, we began to pay attention to the matter of the relationship between population growth and economic development. However, our population continued to expand as a result of one-sidedly stressing that having more people was a good thing and erroneously criticized some scholars who engaged in population theory work. In 1962, the CPC Central Committee and the State Council issued a "Directive Concerning

Conscientiously Encouraging Family Planning" and explicitly pointed out: "It is the established policy in our socialist construction to encourage family planning in the cities and densely populated rural areas and to appropriately control the natural rate of increase so as to ensure that the matter of giving birth to children will be put under a state of planning rather than not being planned at all." By the 1970's the party and government had further deepened their understanding of the population issue and set the "late, sparse and few" requirements (that is, late marriage and giving birth to children late; the space between the first and second child should be longer than 4-5 years and each couple should have no more than 2 children). After the 3d Plenary Session of the 11th CPC Central Committee, our party made a further scientific analysis of the country's population issue and formulated the policy to fundamentally put an end to the excessive population growth in our country. In September 1980, the CPC Central Committee issued an "open letter to CPC and CYL members concerning the question of bringing population growth under control." In February this year the party Central Committee and the State Council issued a "Directive Concerning Continuing To Do a Good Job in Family Planning Work" and explicitly expounded to state cadres and staff and workers, as well as residents in towns and the country, except those who had exceptional cases and had received formal approval, the necessity of carrying out family planning and put forth the clear demand calling on each couple to have only one child. In rural areas, the practice of one couple, one child is universally encouraged. Those people who have practical difficulties and wish to have two children should arrange to do so in a planned way after being examined and approved. In any case, the practice of having three children should not be allowed. As for the minority nationalities, family planning among them should also be encouraged but the terms should be appropriately softened. In his government work report delivered at the Fourth Session of the Fifth NPC, Comrade Zhou Ziyang pointed out: "It is our policy to control population growth while raising the quality of the population." In his political report to the 12th party congress, Comrade Hu Yaobang clearly pointed out: "Family planning is a basic policy of our nation" and thus raised to a new level our understanding of the family planning issue.

The population policy of any country should serve the politics and economy of the country. China's present family planning policy should serve the strategic objective of the economic construction charted by the 12th party congress. At present China already has a population of more than 1 billion people and is faced with about a 15-year-long peak in the total number of births. During this period, on the basis of existing work, if on a nationwide scale we increase the rate of having a single child, control the practice of having two children and strictly put a stop to the practice of having three children, it will be possible for us to keep our population within 1.2 billion people by the end of this century. If every couple throughout the nation has, on the average, two children, the country's population will exceed 1.3 billion people by the end of this century. The excessive population will bring about diverse pressure on socioeconomic construction. We must have a sober understanding of this matter and make an earnest effort to implement the childbirth policy formulated by the party and government. While paying special attention to economic construction, we must simultaneously strictly control population growth and manage to grasp the "two kinds of production."

Another important content of our population policy is to raise the quality of the population including a series of work, such as eugenic births and child-rearing. In the past we paid insufficient attention to this. From now on, great efforts should be made to publicize and encourage eugenic births. Health departments should gradually open up outpatient advisory services on eugenics and strive to reduce the birth of invalid children who suffer from congenital diseases and other hereditary diseases. Along with this, we must still pay attention to eugenic rearing, universalize scientific knowledge of giving birth to children, strengthen maternity and child-care work and intensify preschool education so as to allow the next generations to receive as good an education as possible and to grow healthily. While developing the economy, we must still pay attention to adopting various measures to solve the problem of providing for the aged.

III

Provided that we correctly understand our policies, we can correctly carry them out and proceed to give full play to the might of our policies and achieve the expected results. At the beginning of this year, after the transmission of the "Directive of the CPC Central Committee and the State Council Concerning Continuing To Do a Good Job in Family Planning Work," the cadres and masses of many places had a deeper understanding of the concrete policies stipulated by the document and implemented them quite satisfactorily and thus vigorously propelled the promotion of family planning. But there are still some problems in some places in understanding the document and grasping the policies which demand earnest solutions.

Some comrades hold that childbirth policies stipulated in the "directive" of the party Central Committee are more "relaxed" than those in the "open letter" and for this reason, more relaxed practices were adopted in the practical work, resulting in an increase in the rate of having two children. There are also some comrades who deem that the stipulations in the "directive" are "stricter" than those in the "open letter" and, as a result, they were on the tight and strict side while implementing the stipulations. In fact, these two understandings are not comprehensive. It must be noted that the CPC Central Committee's "directive" and its "open letter" are identical in spirit. The "directive" further expounded the policies in accordance with the principles of policy of the "open letter" after 1 year and more of practice and work of the various places, and respectively set different concrete demands on the state cadres, staff and workers, residents in the towns and country, in the rural areas and among national minorities with regard to family planning. In order to really persist in our family planning policy, it is necessary to lay a feasible foundation and ensure that the majority of the people will support it through our work. This is an important matter which has a bearing on whether or not our family planning work can regain the initiative. Only when we strive to seek truth from facts, suit measures to local conditions and particular people, deal with each case on its merits and offer classified guidance and not indulge in "finding a single solution to diverse problems" can we achieve effective results.

As for the stipulations of policy on having one or two or three children, there is also a problem of how to correctly understand them and how to correctly implement them. Our country has a vast territory; the politics, economy, culture and the conditions of various social institutions of the various localities are vastly different and the distribution of population is quite uneven, so while bringing the practice of having two children under control, we must proceed from reality, set different requirements under different conditions and not indiscriminately impose uniformity. At present, in arranging those who wish to have two children, quite a few localities have formulated some stipulations which are geared to actual circumstances and have produced satisfactory results. It is reported that those who are allowed to have two children are relieved; those who are not allowed to have two children can give up the idea altogether and those cadres who engage in family planning work can heighten their confidence in their work. A serious problem at present confronting the country is that in some provinces and localities, the ratio of the practice of having three or more children is still relatively high. We must be resolute in solving this problem and reduce the rate of having more children as quickly as possible.

The fundamental question of family planning is to legislate. Without legislation, family planning work will not last long; with legislation, family planning work will gradually embark on the right course. Within 2 years, in accordance with the principle of integrating the higher and lower levels and combining the leadership of the specialists and the masses, the leadership at various levels must conduct investigation and study, explore the laws governing this work and strive to study and enact the law of family planning which will be effective in controlling population growth and which is geared to actual conditions.

In practicing family planning, we must persist in giving priority to ideological education, to contraception and to the day-to-day work so that our work can become a regular and systematic practice. This is also a problem which warrants our attention in our work. While practicing family planning, we must break with the old traditional concepts, such as regarding men as superior to women and continuing the family line by producing a male heir. This is an important matter of changing social customs and traditions and of building socialist spiritual civilization. We must do a good job in ideological education work. Provided that the people's thinking is straightened out, this work will play a role for a long time, but provided that the people's thinking is not straightened out, relapses will still emerge even if we have made some achievements over a period of time. To give priority to contraception, we must adopt safe and effective measures for contraception and birth control, protect the health of women and enthusiastically carry out family planning work in a manner suitable to particular people. Giving prominence to the day-to-day work should also be stressed. Family planning is a long-term strategic task. We must work out the plans for our work in accordance with this understanding and, through our unremitting efforts, infuse the party's policies into the minds of the vast numbers of cadres and the masses of the people so they will become conscious actions.

Of course, over a period of time, it is necessary for some localities to carry out some crash propaganda and educational activities. However, crash activities should be based on the day-to-day work. In light of actual conditions, the various localities and units should strengthen ideological and organizational work and the work to supply contraceptives and contraceptive instruments. Ideological work must be painstaking and meticulous, and measures must be efficient and practical. Crudely done work should be avoided. Many cases have shown that in the localities and units where family planning is carried out well the day-to-day work is all done satisfactorily.

Family planning involves every family and household and is the mass work in the broadest sense. We must have faith in the policies of the CPC Central Committee and in the consciousness of the masses and believe that through our work, the masses can conscientiously accept and support the party's policies. These two ideas should be firmly implanted in the minds of the cadres who engage in family planning. In our work, we must pay attention to summing up and spreading advanced experience so that the advanced localities, units and individuals can constantly grow in number, their results can be continuously consolidated and expanded, and they can influence and bring along the intermediate so as to advance together. At the same time, we must pay special attention to the less advanced localities, units and individuals and help them to catch up with the advanced. Family planning is an important matter of the whole party and of the people throughout the nation and is therefore a glorious and arduous task. To fulfill this task, the workers of family planning and medical and health workers must, under the leadership of the party committees at various levels, do their own work in the communist revolutionary spirit and at the same time, must rely on the cooperation in unity of the fraternal units and departments and on the support and backing of the broad masses. Under the guidance of the program of the 12th party congress, let us struggle hard with one heart and one mind, continue to exert ourselves indomitably and strive to create a new situation in the field of family planning.

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THIS IS WHERE THE GREAT HOPES OF OUR COUNTRY'S RURAL AREAS LIE

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[Article by Jing Ping [2529 1627]]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, enormous changes have taken place in the rural situation of our country. The agriculture which had come to a stalemate for a long time has begun to thrive, and a new situation of sustained and steady development has emerged in agriculture. Despite repeated floods and drought which have hit us since 1979, the total output value of agriculture increased at an average annual rate of 5.6 percent. This year an overall bumper harvest was again reaped in agricultural production. It is estimated that the total output of grain will be over 200 billion jin more than last year's figure and that of cotton will increase by more than 600 million dan and the other various industrial crops will almost set a record. Along with the development of production, the farm produce and sideline products as well as raw material for industry which agriculture supplies to the state are increasing in quantity day by day and their income is also steadily increasing, and remarkable improvements have been achieved in their standards of living. Of the poor and backward regions throughout the country, there are 10 regions which have the greatest difficulties, totaling 231 counties. At present, except for a small number of regions which still have great difficulties in the northwest and southwest, most of the remaining regions have solved or basically solved the question of having enough to eat and wear. Of these, there are 23 counties whose average per-capita income increased from about 50 yuan to more than 150 yuan last year. Economically speaking, many famous poor counties and regions have come into their own within the last 1 or 2 years. They not only no longer ask for subsidies of relief and grain resold to them by the state but have paid off their debts and furthermore have even sold their farm produce and sideline products to the state instead. Such changes have seldom been seen since the founding of the PRC and also are contrary to our expectations.

Why are the changes in the countryside so fast and great? The answer is becoming clearer and clearer and also increasingly widespread. This is because since the 3d Plenary Session of the 11th CPC Central Committee, the party has adopted a series of correct rural economic policies, that is, what counts is the implementation of the system of contracted responsibilities with payment linked to output which has brought the enthusiasm of hundreds and millions of peasants into play.

The difference between the agricultural production responsibility system which has been introduced in rural areas in recent years and the other responsibility system, such as the short-term work contracts and management with fixed output quotas which were practiced during the period of cooperation, lies mainly in the method of contracted responsibilities with payment linked to output. The turn from not linking payment to output to linking payment to output has not only added a new form to the production responsibility system in our rural areas but has also brought about a qualitative change in the responsibility system itself. With the development and improvement of the responsibility system, a historic change has begun in China's agricultural production and rural economy.

The system of contracted responsibilities with payment linked to output is characterized by the fact that the collectively owned land is respectively contracted out to commune members for farming with payment made according to output. The heart of this matter is the word "contract." Contracting responsibilities with payment linked to output links up the labor of the working people closely with their production results, combines responsibility, authority and benefit and proceeds to effectively overcome the drawbacks of egalitarianism and the practices of doing things in a massive and unplanned way while working and issuing harmful and arbitrary directives; it enables the peasants to have decisionmaking power, to become both producers and managers and the real masters of the cooperative economy and to give full play to their initiative and creativity. Contracting responsibilities and linking payment to output is the combination of the unified and separate management and has universal adaptability and a diversity of forms. Not sticking to one pattern, this method can suit local circumstances, under which whether the production targets are to be carried out in a centralized or decentralized way hinges on the situation. In this way, it can correspond to the intricate situation of China's vast countryside which varies from place to place and enables the relations of production and the productive forces in rural areas to fit in with each other. It is precisely for this reason that the system of contracted responsibilities with payment linked to output is warmly welcomed by hundreds of millions of peasants and is continuously developing in the course of practice, accompanied with the emergence of such different forms as assigning responsibilities to each group and linking payment to output, assigning responsibilities to each labor and linking payment to output, fixing output quotas for individual households and assigning the households full responsibility for task completion. The CPC Central Committee has always respected the creative initiative of the masses, upheld that practice is the only criterion for testing truth, earnestly summed up the new experience and new creativity of the masses with the development of practice and constantly substantiated, revised and perfected the policies concerning the agricultural responsibility system. The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" pointed out: "There is no rigid pattern for the development of the socialist relations of production. At every stage our task is to create those specific forms of the relations of production that correspond to the needs of the growing productive forces and facilitate their continued advance." The system of contracted responsibilities with payment linked to output is a new form of the socialist cooperative economy with Chinese characteristics. It is the creation of hundreds and millions of peasants who, under the direction of the spirit of the 3d Plenary Session of the 11th CPC Central Committee, have emancipated their minds, practiced in a bold manner and explored step by step. It is the result of correcting the "leftist" mistakes and of bringing order out of chaos and the product of earnestly summing up our historical experience, both positive and negative. The practice of the system of contracted responsibilities with payment linked to output is a great pioneering undertaking of the Chinese people. It has a bright future which should not be underestimated.

The people have a quick or slow as well as a deep or superficial understanding of the far-reaching significance and great role of the system of contracted responsibilities with payment linked to output. This is completely understandable. Under the influence of "leftist" ideology, in the past we blindly pursued the form of "large in size and collective in nature" and mistook that while engaging in the socialist collective rural economy, we had to adopt the form of doing labor in a concentrated way and of distribution according to work. As time passed, this form became a "set pattern" which shackled the people's minds and no one dared to overstep the minefield even one step further. Those who aired divergent opinions and tried some different things in light of actual conditions would be criticized as committing "errors in the political orientation and line." In the past we criticized the "three freedoms [private plots, a free market and responsibility for one's profit or loss] and one contract" and "fixing output quotas for individual households," and we did so for so many years that people were scared at the sight of the words of "contract" and "household" which almost became a "conditioned reflex." The people would be scared by the mention of fixing output quotas for each group; they would be more scared by the mention of fixing output quotas for individual households; and they would be most scared by the mention of assigning the households full responsibility for task completion. Therefore, the fact that the majority of comrades remained unconvinced of the application of the system of contracted responsibilities with payment linked to output, were irresolute in action and even resisted it was a matter of understanding. In the last few years, much controversy has emerged on the issue of the responsibility system but the CPC Central Committee has always earnestly heeded different opinions, constantly conducted investigations and study and never compelled and criticized any people. On the contrary, it has all along put stress on suiting measures to local conditions and on the coexistence of diverse forms and allowing the masses to make their own choice in a democratic way and paid attention to preventing the practices of acting on impulse and of having a single solution to diverse problems. Practice is a classroom in which people can receive the best education. Through many years of practice, the majority of comrades have realized from objective facts that the policies of the party Central Committee are correct, and they have increasingly identical views on this issue. At present a small number of people have still not understood the system of contracted responsibilities with payment linked to output. We hope that they will go deep into the realities of life, conduct investigations and study, heed the opinions of the masses and have a look at the fine situation of the countryside, and we are sure that this will educate them and bring about a change in them and that they will deepen their own understanding. The introduction of the system of contracted responsibilities with payment linked to output is the demand of hundreds and millions of peasants and the trend of historical development. In his report to the 12th party congress, Comrade Hu Yaobang pointed out: "The production responsibility system set in various forms in the countryside in recent years has further emancipated the productive forces and it must be adhered to for a long time to come. The thing for us to do is to gradually perfect it on the basis of summing up the practical experience of the masses. In no case must we make rash changes against the will of the masses, still less must we backtrack."

The widespread implementation of the system of contracted responsibilities with payment linked to output has put an end to the situation in which agriculture has been at a standstill for a long time. A series of new things with internal relations have emerged in an endless stream over time, and the rural economy has entered a new stage of flourishing and vigorous development.

The rapid growth of agricultural production and the improvement of labor productivity in agriculture has saved much surplus manpower, promoted diversified undertakings, raised the commodity rate of farm produce and sideline products, and as a result, the demands of the peasants for market supplies have also increased. Developing a diversified economy is of great significance in changing the features of China's agricultural production. China has a vast territory with insufficient arable land but with very abundant usable agricultural resources. While ensuring that grain crops should be planted in the cultivated land suitable for growing grain crops and ensuring a steady increase in grain production, we must go all out to operate the diversified undertakings in a big way. This will not only contribute to the full utilization of the surplus manpower and natural resources but will also help promote the further development of grain production and will thus turn the human talents and land and other material resources to good account.

With the development of the diversified undertakings and commodity production, there have emerged in recent years batches of specialized households and households doing specialized jobs with special technical skills and management ability, some of which are developed on the basis of household sideline production; others contract some production tasks of the collectively run diversified economy; and still others form new combinations according to the principles of voluntary participation and mutual benefit. These specialized households or specialized groups are relatively small in scope of operation and production and have therefore some strong points: 1) Being convenient for tapping the potentials of manpower and of the means of production, absorbing more manpower and auxiliary labor in particular and putting the simply constructed construction projects and facilities to maximum use; 2) corresponding to the existing technical ability, experience and managerial techniques of the producers and providing ample scope for the broad masses of peasants to display their intelligence and wisdom; and 3) easily economizing on funds, reducing energy consumption and promoting environmental protection and the ecological balance. In sum, they are characterized by the fact that they are small in scope and require less investment but promise quicker and bigger results with a high commodity rate. They are in keeping with the economic and cultural level of the Chinese countryside at the present stage and are a good form for developing a diversified economy and commodity production. The combination of the form of specialized household or specialized group with the great mass fervor for studying and applying science which is in the making universally among the peasants will push agricultural production and the whole rural economy forward to further prosperity.

With the growth of the production of specialized households and specialized groups and the improvement of their operational techniques, the realization of specialization and socialization of some links of the process of production will surely become a necessity. Every step forward in the specialization and socialization of production should be followed and even anticipated by communications and transport, commerce and other service trades, otherwise it will lag far behind the demands of the development of the situation. The application of the system of contract responsibilities with payment linked to output in rural areas has solved the question of production and distribution but has not yet solved the question of circulation. At present, the enthusiasm of the peasants for developing commodity production has been aroused but the work of the various departments concerned still lags far behind and the most conspicuous one is that the circulation link is poor. The failure to transport and market farm produce and sideline and native products caused overstocking of products in producing areas and a shortage in goods supply in marketing areas, made batches of fresh and live products go moldy and rotten while the industrial products needed by the peasants were hard to buy. This contradiction is becoming more and more acute. Any undesired solutions to this issue will bring about renewed setbacks to the enthusiasm of the peasants, which has until now run high. We must attach great importance to this matter and solve it in real earnest.

At present, the system of contracted responsibilities with payment linked to output has been widely implemented in rural areas. The work in the future is mainly to preserve the relative stability of the production responsibility system and to perfect and improve it in an orderly manner. However, we must not shut our eyes to the fact that at present a trend has gradually manifested itself, that is, the system of contracted responsibilities with payment linked to output is expanding from the poor and backward regions to other regions and even to economically developed regions, from planting industry to forestry, animal husbandry, sideline occupations and fishery, from agriculture to the various sectors of the rural economy and further expanding from the rural areas to small cities and towns and to commerce, service trades, the industry run by the communes and their subdivisions and to scientific units. Furthermore, proceeding from the objective demands of the development of production and with the advance of the rural economy toward the direction of specialization and socialization, the demands for establishing various combinations set in different forms are bound to arise, such as the combination of specialized production, that of supply and marketing, that of production, supply and marketing and that of technical services, and some combinations even may break through the limits of the existing communes and their subdivisions. Just as Comrade Hu Yaobang predicted in his report to the 12th party congress: "In the not too distant future, there will emerge in our rural areas an improved cooperative economy, with a diversity of form, which will be able to make full use of the advantages in light of the local conditions and facilitate the large-scale adoption of advanced production measures." Moreover, the first starting point of all this is the system of contracted responsibilities with payment linked to output. Being full of vitality and in the ascendant, the system of contracted responsibilities with payment linked to output has Chinese characteristics and is thus where our great hopes lie.

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DEVELOPMENT AND PERFECTION OF THE ECONOMIC RESPONSIBILITY SYSTEM IN INDUSTRY

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[Article by Zhou Taihe [0719 1132 0735]]

[Text] The economic responsibility system in industry is developed on the basis of the experiments of the expansion of the decisionmaking power of enterprises, which were carried out in selected enterprises after the 3d Plenary Session of the 11th CPC Central Committee. It is an administrative system in production and operation which closely combines responsibility, authority and benefit with raising economic results of the whole society as its objective under the guidance of state planning. At present the enterprises which are carrying out the economic responsibility system constitute more than 80 percent of the industrial enterprises throughout the nation. After 1 year and more of exploration and practice, the vast numbers of cadres and staff and workers of the various localities, departments and on the industrial front have a clearer understanding of the economic responsibility system in their guiding thinking and the contents and forms of the responsibility system have also developed. In particular there have emerged such advanced models as the Shoudu Iron and Steel Company, which set an example for us all. Over 1 year and more, the economic responsibility system has developed in the following ways:

1. Persisted in closely combining responsibility, authority and benefit and given first priority to the responsibilities for which the enterprises are responsible to the state. The economic responsibility system started with the implementation of the financial tasks and for this reason it is called the "contract system plus rewards." Later such units as the Shoudu Iron and Steel Company advanced the guiding thinking for correctly carrying out the economic responsibility system, that is, we must put stress not only on the limits of authority and interests of enterprises but above all also on the responsibilities for which the enterprises are responsible. They put the overall fulfillment of state plans in first priority and looked upon the practice in which the state should receive the largest share in distributing surplus revenue as the most important responsibility of enterprises. Many enterprises support the formulation of the Shoudu Iron and Steel Company: the economic responsibility system should take responsibility as its core, set the limits of authority and the size of

benefits according to responsibility and closely combine responsibility, authority and benefit; one should be granted authority the same size as the responsibility which he bears and he is allowed to share interests the same size as the responsibility which he discharges. As a result of giving prominence to the economic responsibility for which the enterprises are responsible to the state regarding the fulfillment of state plans as the basis for the enterprises to retain the share from profit sharing and stressing that the partial and local interests should be subordinated to the overall interests, the sense of responsibility of the enterprises and the staff and workers is heightened and the enterprises are urged to tap the potential in their internal departments and to devote a lot of energy and efforts to boosting production and increasing revenue.

2. Implemented the economic responsibility system down to each level of the internal departments of enterprises in an overall manner so that the economic responsibility system would develop constantly and intensively. Many enterprises have formulated the general objectives including the various economic and technical targets in reliance on the masses of staff and workers and in accordance with the economic responsibility for which they are responsible to the state, transposed them one by one and then implemented them at each level of the internal departments of enterprises and to every workshop, administrative office, production team and group and individual. Some enterprises are developing in the direction of making responsibility a target and of making examination and assessment enter the stage of data. The Shoudu Iron and Steel Company not only transposes the targets and implements the whole professional work and the enforcement of the rules and regulations down to each individual but also implements the practice of each level contracting for state assignments and ensuring their fulfillment between different units and different posts down to each individual and links strict examination and assessment with rewards. The responsible departments and financial departments of enterprises of some places are cooperating closely and have put a stop to the practice of singly examining the profit targets of enterprises and instead are carrying out an overall check-up of output, quality, profits, consumption and costs. All these have played a promoting role in improving the managerial techniques of enterprises.

3. The forms of profit sharing should be suited to local conditions and be flexible and diverse and no uniformity should be imposed in this respect. The enterprises which were involved in the experimental work of expanding the decisionmaking power in 1979 basically practiced a circulatory proportion method of base plus increase. Last year a State Council document stipulated seven different methods. The comrades of the various provinces and municipalities paid attention to constantly exploring and summing up the practical experience and persisted in proceeding from reality and seeking the forms of profit sharing for different trades and enterprises so as to better mobilize the enthusiasm of the enterprises of various types and correctly handle the relationship between the state and the enterprises. Financially speaking, some places adopt the method of retaining total revenue among the responsible bureaus and the latter again practice a form of the profit contract system among enterprises. This method can integrate

the two forms and make up for each other's deficiencies, and the gains are satisfactory. Some places define different forms of profit distribution in light of market conditions, the importance of the tasks of technical transformation and the changes in the production conditions.

4. The scope of the introduction of the economic responsibility system was continuously expanding. The economic responsibility was not only implemented down to the workers on the front line in production but the practices of assessment and of rewards and penalties were also carried out among leading cadres, technical and professional personnel and auxiliary workers on the basis of clear and definite economic responsibility. In some places the economic responsibility system was set up in the responsible industrial bureaus and even in the units at the municipal level. Weifang in Shandong Province has established the economic responsibility system throughout the municipality, ranging from the leading departments and leading cadres to the enterprises and their staff and workers.

5. The link of distribution was turned into that of production and the enthusiasm of the enterprises and of their staff and workers has gradually led to strengthening operations and production, to carrying out technical innovation and technical transformation and to tapping potential in the internal departments of enterprises. The enterprises attach importance not only to production but also to management and technical advances and shift the focus of work from undertaking new construction projects and expanding existing projects to expanded reproduction which gives prominence to intension. This benign cycle from distribution--tapping potential--increasing revenue to redistribution--retapping potential and again increasing revenue impels the enterprises to continuously raise their economic results and is therefore an important result of the development of the economic responsibility system.

In sum, through 1 year and more of practice, the economic responsibility system has begun to embark on the road of healthy development. At the forum on the industrial economic responsibility system of the five provinces and municipalities convened by the Office for Structural Reform under the State Council and the State Economic Commission, six standards for examining the results of the economic responsibility system were formulated: 1) Whether or not the various targets passed down in state plans are fulfilled in an overall manner (quality and costs in particular); 2) whether or not the economic effect is improved remarkably; 3) whether or not the interests of the state, the enterprises and the individual are taken into account while ensuring that the state should receive the largest share in distribution of surplus revenue; 4) whether or not the principle of from each according to his ability, to each according to his work is implemented among the staff and workers; 5) whether or not the various rules and regulations and the basic work are established and perfected; and 6) whether or not the various policies and stipulations of the state are observed. Some enterprises which are run well have achieved tangible results in this respect.

However, there are still some problems in our work because it is not too long a time since the responsibility system was introduced, and its development is still not even. The problems are manifested mainly by the fact that the people still have an insufficient understanding of the essence and great significance of the economic responsibility system: that the economic responsibility system has not yet really been set up in the internal departments of most of the enterprises; that the decision-making power of enterprises in operations and management has not yet been completely implemented; that the enthusiasm for technical innovation and technical transformation has not yet been extensively aroused; that egalitarianism in distribution issue is still serious; that with regard to the relationship between the state and the enterprises, the policy of rewarding those who are diligent and penalizing those who are lazy has not yet truly been embodied, and so on. In order to further strengthen and perfect the economic responsibility system, we hold that the following problems need solutions:

1. We must further deepen our understanding of the economic responsibility system.

The aim for industrial enterprises to carry out the economic responsibility system is to suit the demands of socialized mass production, to further emancipate the productive forces and to carry out partial readjustment of the relations of production. In regard to the relationship between the state and the enterprises, it has put an end to the situation in which in the past, excessive and overrigid control was imposed on the enterprises; all revenue and expenditure were handled by the state in a unified way and everybody was eating "from the same big pot." In the internal departments of enterprises, the previous drawbacks of egalitarianism which were characterized by the fact that no distribution was ever made between those who did a good job and those who did a poor one were overcome and the situation was halted in which particular attention was paid to production at the neglect of operations and management and output and output value were exclusively grasped at the expense of technical advances and economic results. Therefore, for industrial enterprises to carry out the economic responsibility system is an important component part of the reform of China's economic system and will expedite the reform of the administrative system of all enterprises and of the production, circulation and distribution systems. In his report to the 12th party congress, while fully affirming the economic responsibility system, Comrade Hu Yaobang pointed out: "To bring the initiative of enterprises and of the working people into play, we must earnestly implement a responsibility system in the operation and management of both state and collective enterprises." "Although industry and commerce are vastly different from agriculture, the application of the economic responsibility system (including the system of responsibility for profit or loss in some state enterprises) similarly helps to implement the Marxist principle of material benefit, to heighten the workers' sense of responsibility as the masters of the country and to promote production." Comrade Chen Yun also said that the transformation carried out in the 1950's allowed to exploitation, that is, the capitalists were not allowed to exploit the workers. In the present reform the people are no longer allowed to eat "from the same big pot" and the reform is aimed at breaking this sort of old conventions, such as the "same big pot" and "iron rice bowls" and at practicing the principle of more pay for more work, less pay for less work and no pay for no work. The significance of this reform is not inferior to that of the transformation of privately owned industrial and commercial enterprises. These important expositions raise the significance of the economic responsibility system to the higher plane of theory and are of important and guiding significance in deepening our understanding of this issue and in expediting the intensive development of structural reform.

The agricultural production responsibility system has achieved noticeable results. After the economic responsibility system has been carried out really well, it will also have boundless prospects. It must be noticed that the economic responsibility system and the agricultural production responsibility system have something in common. This all started with restructuring the administrative system, readjusting the relations of production, breaking the practice of eating "from the same big pot," overcoming egalitarianism, implementing the principle of distribution according to work done and finding solutions to the issue of the inner dynamic force for developing production. However, it must be also noticed that industry and agriculture are vastly different. First, they are different in the system and ownership and second, the socialization of industrial production is high in degree, different enterprises are closely related, and the development of production are restricted by many external conditions. Therefore, compared with the agricultural production responsibility system, the economic responsibility system in industry is much more complicated. How to do a good job in the economic responsibility system in industry in light of this characteristic has become an important issue which demands greater efforts, earnest study and thorough exploration from us all.

2. We must correctly implement the principle of the leading role of the planned economy and the supplementary role of regulation by market mechanism.

In China's economy, priority is given to the planned economy. As the basic unit of economic activities, an enterprise must comprehensively fulfill state plans and do a better job in the economic activities of the enterprise in accordance with the requirements of state planning. To carry out the economic responsibility system, it is necessary to closely integrate it with state plans and to take the overall fulfillment of state plans as the most important economic responsibility of enterprises. We must not belittle planning just because we stress enlivening the economy and we must also not put enterprises under excessively rigid control just because we stress planning. The responsible departments at various levels must regard the overall fulfillment of state plans as a prerequisite for the enterprises to retain profits from profit sharing and strictly examine the quality of the fulfillment of state plans by the enterprises. At the same time, it is also necessary to implement the limits of authority of enterprises in planning. We must go deep into the realities of production, study new conditions and seek solutions to new problems, study the size of authority in planning which should be given to the enterprises of different types and study how to bring the initiative of the enterprises into full play under the guidance of the state plans and how to combine the economic responsibility system with planning so that the plans can be substantiated and perfected as required in the course of their implementation.

Being economically responsible, the enterprises must have various degrees of authority in planning on the one hand and must also have a certain share of the power to market their products through their own channels. Under the guidance of planning and the condition that the supplementary role of regulation by market mechanism is given full play, the power to market the products through one's own channels functions in two aspects. The first role is to enable the enterprises, through the activities to market their products through their own channels, to keep abreast of the market trends in good time, to ensure direct contact between production and marketing and the integration of production and marketing, to foster a good operational style of thinking about the interests of the users and being responsible for the consumers, to enthusiastically develop new products and to better meet market demands, and the second role is to enable the enterprises, by marketing part of their products through their own channels, to conduct cooperation and to make up for the deficiencies in the planned material supply so as to ensure the normal operation of production. For this purpose, except those products which are not allowed to be marketed through the channels of the enterprises by state stipulations, including the products which are put under state unified purchase and sale and the products which are strained in supply and short in demand, the enterprises should be granted a certain portion of the power to market their products through their own channels. We must, through practice, sum up a set of methods which will both persist in the leading role of the planned economy and fully arouse the enthusiasm of the enterprises and of the staff and workers and raise economic results.

3. We must put the focus of work on the implementation of the economic responsibility system down to each level in the internal departments of enterprises.

Implementing the economic responsibility system down to the internal departments of enterprises should be regarded as the key link of the present overall reorganization of enterprises. In the course of reorganization, it is necessary to transpose one by one the economic responsibilities for which the enterprises are responsible for to the state and implement them down to every workshop, production team, group and individual and set up a set of economic responsibility systems which form a complete set vertically and horizontally and integrate both the higher and lower levels in accordance with the principle of combining responsibility, authority and benefit; it is necessary to strengthen the basic work, establish and perfect the various administration, examination and assessment systems as well as the rewards and penalties. In regard to issuing bonuses, we must not try to top the ceiling of norms and try not to indulge in egalitarianism among units and ensure that there will be increases and decreases in bonuses with regard to individuals. Democratic management must be strengthened and the vast numbers of staff and workers must be aroused to discuss the major decisions on the production and operations of enterprises, the distribution and utilization of the funds at the disposal of enterprises and the reform of the administrative system and rules and regulations, and then this should be submitted to the staff and workers congresses for examination and approval, and their implementation should be put under the supervision of the staff and workers congresses. It is essential to combine the stringent economic responsibility system with the sense of political responsibility of a high level through painstaking and meticulous ideological and political work. At the same time, it is necessary to readjust the leading bodies well in accordance with the requirements of cadres becoming more revolutionary, younger in age, more knowledgeable and specialized.

4. We must correctly handle the interest-distributing relationship between the enterprises and the state.

The application of the economic responsibility system has put an end to the financial system under which all revenue and expenditure are handled by the state in a unified way, readjusted the relationship among the three--the state, the enterprises and the individual, mobilized the initiative of the enterprises and of the staff and workers and raised economic results. However, owing to diverse reasons, at present the profits which the enterprises ought to hand over to the state have decreased somewhat and there has been a shortage of funds for the key development projects which the state must urgently carry out. In order to attain the strategic objective by the end of this century and ensure the key development projects which have a bearing on the overall situation, in a period of time to come we must appropriately concentrate our financial resources. To do this, the enterprises are urged to further implant the idea of "coordinating all the activities of the nation like moves on a chessboard," uphold the principle that the state should receive the largest share in the distribution of benefits between the state and the enterprises, earnestly arrange well the proportion of profit sharing for the enterprise and perfect the methods for distributing revenue.

We must stabilize and implement our economic policies on the basis of summing up experience. With regard to the seven methods of profit sharing formulated by the State Council, the various localities and departments must proceed from reality and adopt different forms of distributing interests among different types of trades and enterprises in light of local conditions and not find a single solution to diverse problems. Seen from the initial practice of the various localities, the implementation of profit sharing by whole trades will be conducive to making clear the responsibilities of the responsible departments of enterprises, to readjusting the unfairness in the distribution and allocation of profits between different enterprises and to promoting the technical transformation of the internal departments of enterprises. The counties which have abolished the industrial bureaus in the course of the organizational reform may also practice the method of unified profit sharing or profit contracting with the county economic commission as the unit. This will contribute to simplifying the administrative structure and redistributing the amount of profits between different enterprises. After being approved by the State Economic Commission and the financial departments, large-sized enterprises with strong leading bodies and sound basic work, the tasks of hard technical transformation which accord with the demands of the development of the state are also allowed to practice the contract system of handing over profits to the state progressively on a trial basis and it should not change for some years while it is fixed. A section of small-sized enterprises may introduce the form of handing over income tax to the state and assuming sole responsibility for their own profit or loss. But no matter what form is practiced, a unit can adopt only one method.

While defining the proportion of profit sharing, we must implement the principle of rewarding those who are diligent and penalizing those who are lazy. As for those enterprises which are poorly operated and produce low economic results due to subjective reasons, their proportion of profit sharing should be appropriately reduced; with regard to the enterprises with strong leading bodies, satisfactory operations and high economic results, their proportion of profit sharing should be appropriately increased. At present the practices of violating financial and economic discipline, illegally retaining profits, indiscriminately apportioning costs, repeatedly drawing money and taking a double share of money should be resolutely corrected.

5. We must integrate the perfection of the economic responsibility system with the technical transformation of enterprises.

Doing a good job in the technical transformation of enterprises and promoting technical advances is the key link in steadily raising economic results and ensuring the smooth development of the national economy. At present, the technology and equipment of many enterprises are quite backward, their energy consumption is high, product quality is poor and economic results are low. The introduction of the economic responsibility system demands a year-by-year increase in the profits which the enterprises ought to turn over to the state and an increase in the funds retained by enterprises. This will urge the enterprises to do a good job in technical transformation. At the same time, the funds retained by enterprises will create conditions for and provide possibilities for the enterprises to carry out technical transformation. In order to better lead the enterprises in accelerating the pace of their technical transformation, it is necessary, on the basis of deepening their understanding, to help the enterprises to genuinely use their depreciation funds and funds for production development in the technical transformation and upgrading of equipment of enterprises. At present, some enterprises use the funds for production development and even their depreciation and overhaul funds in building dormitories for the staff and workers and in repaying private debts owed by the staff and workers. Their funds for technical transformation are solved by relying mainly on bank loans. This practice is understandable for a short time but we must not do this for a long time. Otherwise, it will produce a harmful impact on production. We must redistribute and utilize in a good manner the funds for production development and the innovation and transformation funds which are scattered among the various enterprises. At the same time, a better job should be done in the programs for the technical transformation of the trade, and the technical transformation of the trade and enterprises should be carried out in a planned and good way in key units by stages and in groups. We must carry out the practice of good quality, high prices step by step and encourage the enterprises to continuously improve product quality and to enthusiastically develop new products.

For industrial enterprises to carry out the economic responsibility system is a new task. To steadily develop and perfect it, it is necessary to offer more effective leadership. The various localities and departments must pay close attention to the promotion of the economic responsibility system in industry, put it under overall planning and offer classified guidance to it as we have done in regard to the production responsibility system in agriculture. At present, we must above all do a good job in the perfection of the economic responsibility system of the medium and large-size enterprises. At the same time, we must earnestly grasp typical cases and sum up and spread our experience. We must further consolidate and develop the various ongoing reforms, actively create the needed external conditions for the enterprises and push forward the healthy development of the economic responsibility system.

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FACED WITH A NEW SITUATION AND NEW PROBLEMS, LIGHT INDUSTRY HAS TO TAKE ON A NEW LOOK AND ATTAIN A HIGHER LEVEL

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[Article by Yang Bo [2799 3134]]

[Text] Since 1979, in the light of the policy issued by the CPC Central Committee on vigorously developing consumer goods production, light industry development has been accelerated. The gross light industry output value has increased by 10 percent annually over the past 3 years. The quality of products has improved and we have more varied goods. There was a commodity shortage in the market for a long time in the past. This situation has been basically changed. Formerly, people rushed to purchase goods, but now they are keeping their money and buying selectively.

This is the result of the implementation of the line, principles and policies put forward by the 3d Plenary Session of the 11th CPC Central Committee and the national economic readjustment, restructuring, reorganization and upgrading. It is also an important sign that the national economic situation is getting ever better.

Under this excellent situation, new problems have appeared in light industry production; principally, some light industrial products are overstocked and unmarketable. How can we deal with this problem? Some comrades think that this is the result of a surplus of products manufactured by light industry and that we should cut production. I do not think we should speak in such general terms. At present, there is a small number of products in excessive supply, because these products, such as cigarettes and wine, are manufactured by small factories, not in a planned way. We should cut their production. Generally speaking, we cannot consider that there is overproduction and that light industry has been fully developed. Our light industry has yet to be further developed. Social purchasing power in the last 3 years has increased by an average of 14.7 percent annually, which is higher than the average annual increase of 14 percent of light industry production, and much higher than the 10 percent output increase in factories under the administration of the Ministry of Light Industry. The production of consumer goods falls far short of the requirements of the people, who have more money saved up at home. According to rough calculations, the total yearly output value of factories under the Ministry of

Light Industry is only about 60 billion yuan (including a proportion of means of production and not including textile and other consumer goods), which is about 60 yuan for each person in the country. But the nation's bank savings reached 62 billion yuan by the end of August this year, not counting a prodigious sum of cash kept in people's homes. We should manufacture more products to meet their demands.

But why are some products overstocked and unmarketable? I think that it is mainly because the quality and variety of the goods are poor and cannot satisfy market demand. One reason why commodities are overstocked in some places and out of stock in others, or overstocked in urban areas and out of stock in rural areas, is blocked circulation channels and bad marketing. There was a commodity shortage for a long time in the past. People had little choice when shopping. But now the situation has changed. Production has increased, there are more goods in the shops and people have more money. The "seller's market" has started to change into a "buyer's market." So customers have become more choosy. Formerly, people rushed to buy things the year round. But now they are making seasonal choices. These new problems have surfaced in light industrial production. As customers put it: "I don't want what you offer, but you don't have what I want."

How can we run light industry in the face of this new situation and the problems which have appeared? We should earnestly do a good job in changing this situation and improving product quality, and strive to create a new situation in light industrial production in accordance with the instructions issued by the 12th party congress and with the real situation.

First, to change the situation it is necessary to change the spiritual phenomena of staff and workers, and in particular leading cadres at all levels, and to arouse their enthusiasm in line with the development of the new situation. Second, it is necessary to improve the quality and variety of light industrial products. To raise their standard means upgrading technical and management standards.

Specifically, we should do a good job in the following points:

1. Change the Guiding Ideology in Line With the New Situation

At present, the main changes in guiding ideology should be: 1) We should change the way of stressing production speed and taking economic results highly by combining production speed with economic results. We cannot ignore production speed, but we should stress economic returns and maximize economic results by reducing consumption of labor and materials to the minimum. To attain economic results, we should stress not only the state's interests and the constant increase in accumulated funds for the state; we should also manufacture products which are marketable, with good quality and lower prices, and take care of customers' interests. As Comrade Zhao Ziyang said, we should blaze a new trail of more practical speed, better economic returns, and more benefit to the people. 2) The viewpoint of stressing output value and quantity of products and taking their quality and variety lightly should be changed by seeing their quality as of primary importance and creating new varieties. 3) The viewpoint of laying stress on production and not paying sufficient attention to management must be changed by doing a good job in production and management, and strengthening marketing, service and market forecasting. 4) The viewpoint of laying stress on urban areas and paying insufficient attention to rural areas must be changed by taking account of the demand of both urban population and even more of the 800 million peasants. All products are to be geared to the needs of the peasants. Comrade Mao Zedong said that the extensive rural areas constitute our principal market. With the development of agricultural production and the increase of peasants' earnings, the market demand in the rural areas will increase constantly. We should be more clear on this point. 5) We should change our viewpoint of laying stress on expanding construction and paying insufficient attention to technical transformation by relying on scientific technology to progress and by stressing the expansion of the existing reproduction, concentrating principally on the technical transformation of present enterprises and tapping the existing production potential in enterprises. 6) We should change our viewpoint from emphasizing present interests and forgetting future ones to tightly grasping the present production and drawing up a long-term plan for development. We should map out a plan for light industrial production, set specific targets and adopt practical measures in line with the instructions issued by the 12th party congress for attaining the goal for quadrupling the total annual output value of industrial and agricultural production by the end of this century, and lay a solid foundation in the first decade in order to accumulate forces and create conditions for reviving the economy in the second decade.

To realize the above six changes, it is highly important for us to conscientiously change our guiding ideology to one of sincerely serving the consumers. While carrying out socialist production, our task is to serve consumers wholeheartedly. These objects of our service may be summarized by the figures "8, 2, 5, 3, and 6." "Eight" stands for the 800 million peasants who make up the majority of the population. We should constantly take their requirements into consideration by manufacturing products to meet their demands. "Two" stands for the 200 million-strong urban population. Previously, we took this aspect more into account, but not enough. "Five" represents the 500 million women. Why do we talk about the women separately? To speak in general terms, women require a better assortment and style of goods than men. Furthermore, women always take care of or arrange all sorts of things related to the household. So we give priority to the demands of the 500 million women. The figure "3" represents the 300 million children who are our successors and flowers of the motherland. At present while we are encouraging family planning, most of the purchasing power of parents is devoted to their only son or daughter. We should take their all-round demands into account. There are bright prospects for toy manufacturing only. "Six" can be interpreted as the 60 million people from national minorities. There is a great variety of consumer goods they require. Therefore, we should strive to do a good job in production in order to meet their demands. In brief, we are sure that light industry production will further develop if we wholeheartedly serve consumers by adopting all possible measures and blazing a new trail.

2. Do a Good Job in Improving Quality and Variety

We have been stressing quality first in production for years. However, this problem has not yet been solved in practice. In the future, we should stress quality and variety in production. This is the key to ensure a new level for light industry production. While talking about the speed and quantity, we should not forget the quality and assortment, and we should not reduce output value and quantity of products alone. What most of our comrades say is true: "Quality is a vital force and assortment will bring a bright prospect." Whether a factory is well run or not and whether or not it will enjoy great prestige among the customers, depends on whether product quality meets market demand. Even an enterprise will experience the same thing. Therefore, we should strive to manufacture high quality, new products of famous brands.

We should map out a plan for creating famous brand, high quality and new products. We should analyze the present status of products manufactured by various trades, arrange the problems in order to importance and urgency and set specific goals for production. All localities should manufacture more famous brand products by enhancing their superior role. We should formulate specific stipulations and adopt specific measures in order to carry out the completed plan within a limited time and to come up to standard. Shanghai and Jiangsu have formulated the "four generations" of production, reserves, research and planning which are worth being encouraged.

The quality of products and assortment of goods should meet the demands of the two markets, namely, the domestic market, which is the principal market, and the international market. The demands of these two markets are different. Domestically, the rural and urban markets are also different. So we should discriminate between them. What comrades in Shanghai say is true: The quality of products and variety of goods for export should be in line with international standards, while those for the domestic market should meet the consumers' requirements. We should take the international standard and market demand into account if we intend to break into the international market with our products, and make them more competitive. Domestically, the standard of all products must also be raised in line with the actual requirements and purchasing power of the consumers.

In order to improve quality of products and increase the variety of goods, it is imperative to grasp technical transformation in existing enterprises. The quality of products can only be improved by advanced equipment. Previously there was a slogan: Manufacture products of the 1970's with equipment manufactured in the 1940's or 1950's. The spirit is good but it is unworkable as a whole. As materialists, we should stress material conditions. To improve the quality of products and increase the variety of goods, we should carry out technical transformation in enterprises, replace old equipment with new, and introduce new means of production, new technical equipment and new technological processes. If we fail to rely on the advanced scientific technology or to grasp technical transformation in existing enterprises, and if we still preserve the old equipment, techniques, technology and products, then the efforts we made for laying a solid base, accumulating forces, creating conditions for the 1980's and reviving the economy in the 1990's, will all come to nothing.

To carry out technical transformation in enterprises, we should stick to the policy of self-reliance, by depending mainly on our own strength and introducing advanced technology and equipment from abroad. As there are a large number of small and medium-sized enterprises in light industry, which need less investment and produce quick economic results, it is necessary and possible to use a bit more foreign investment for introducing advanced technology and equipment. We should do well in working out a plan and carry it out by stages and in groups devoting efforts to key projects. We should do practical research properly and should not do it on too large a scale or overextend the battle line, and should avoid acting blindly.

To grasp scientific research, we should train scientific and technical personnel and employ them properly. The number of scientific and technical personnel in light industry departments is small compared with other departments. This does not suit the needs of the transformation or the raising of standards. According to statistics, scientific technical personnel under the Ministry of Light Industry of the country make up 1.06 percent of the total number of staff and workers; among these, the technical forces in the Second Light Industry Ministry are even weaker. We should make up our mind to gradually change this situation. First, each enterprise should train technical personnel in a planned way. Second, more scientific and technical personnel should be demanded from the department responsible for the work. Thirdly, help should be sought from fraternal departments. Fourth, talented people who have studied by themselves should be promoted from among staff and workers. Fifth, existing scientific technical personnel should be properly employed and given refresher courses in order to raise their level. We should also earnestly grasp the training of staff members and workers in order to improve their political and technical quality. Now, there are more personnel in various enterprises than required. We should make a point of arranging training courses for them in a planned way. At the same time, we should run more technical schools devoted to raising their technical levels.

We should adjust product mix and resolutely limit and cut the production of commodities which are in excessive demand. Factories like small cigarette factories and breweries must be closed down. We should adopt both the administrative and the economic measures, but, first of all, we should solve ideological problems.

To grasp product structure adjustment, it is imperative to make specific analyses of supply and demand of all kinds of products. Among plans for goods in excessive supply there are goods in short supply and among plans for goods in short supply there are goods in excessive supply. So we organize priorities according to specific conditions. The method of arranging the problems in order of importance and urgency means making comparisons. When Comrade Chen Yun was in charge of economic work, he repeatedly explained this method and pointed out that it is necessary to make personal investigation, to arrange problems in order of priority, to manufacture products which are in short supply, to cut production of goods which are in excessive demand, to seek truth from facts, to have a good idea of how things stand, to work methodically and to advance steadily. We should earnestly learn from this way of thinking and Marxist work style. As regards existing goods whose supply and demand roughly balance, the product mix should also be adjusted regarding model, specification, quality, variety and type. They should not always remain the same and they should be constantly replenished by other new products. We should adjust product mix because social demand will change frequently. In order to carry out the restructuring of product mix, and to meet the market's various demands, it is necessary to carry out readjustment in some enterprises and their production scale by manufacturing products in small quantity but with different varieties.

While adjusting product mix, upgrading the quality of goods and increasing production of famous brand, high quality products, we should not abandon the production of popular goods of dependable quality and other small commodities. Particularly, we must under no circumstances give up the production of small commodities which are manufactured by the second light industry and are indispensable to the people's livelihood, although they are sold at little or no profit and may even lose money. We should adopt measures and policies to overcome the difficulty in production. We should readjust product mix in line with the national conditions and take the level of purchasing power and the different requirements of our customers into consideration. We should not attend to one thing and lose sight of another.

3. Do a Good Job in Enterprise Readjustment, Strive To Improve Management

Apart from a small number of enterprises, the majority of the enterprises in various localities have not been run properly, and economic results are bad because they fail to establish an essential and strict scientific administrative system. Furthermore, the management in a small number of enterprises is confused which has caused great waste because they do not have regulations. It is impossible to change this phenomenon and to upgrade product quality if this situation goes on. Therefore, we should earnestly and really do a good job in straightening out enterprises and raising administrative standards in light of the instructions issued by the Central Committee. At present, we should tightly grasp work in three aspects: First, we should devote a lot of time and energy to straightening out leading groups in enterprises. The key which decides the fate of an enterprise lies in the leading group. We should promote persons who have both ability and political integrity, do solid work and are in the prime of their life, to the leading group. In short, we should encourage sensible people to run enterprises. Second, we should establish and improve the economic responsibility system and popularize the experiences of the Shoudu Iron and Steel Company in a planned way in line with the specific conditions of light industry. Third, we should grasp the basic work of an enterprise. There are no means of calculation and measurement, original records or consumption quotas in various enterprises. This has caused great waste of raw material and fuel and naturally fails to bring any good economic results.

While straightening out enterprises, it is imperative to grasp capital construction of enterprises, to establish and to improve regulations which are to be strictly observed. If we fail to do so, the economic responsibility system and the improvement of management will come to nothing.

The restructure of enterprise should be linked with the reorganization of trade and the readjustment of enterprise. All trades should carry out readjustment and reorganization of enterprises in a planned way and by stages in light of professional cooperation and rational economic stipulations in order to make the product mix and the organizational structure of enterprise more rational. Factories producing complete sets of machines or parts, specialized factories, cooperative factories and factories within or outside one complex in the same area or outside an area should be organized in a unified way according to trades and services in order to carry out division of labor, to improve quality, and to increase variety. In this way, we can accelerate speed. We should push forward, promote and develop cooperation and do well in this respect according to unified plan and the principle of division of labor and cooperation, equality and mutual interest of each having a role to play.

In the past few years, light industry production has greatly developed and made initial steps. But we should never be satisfied with the existing state of affairs and should not relax our efforts or slow down our speed. We should arouse our enthusiasm, do hard work, study new situations, solve new problems and work conscientiously for our work in line with the instructions issued by the 12th party congress. We should make more contributions to satisfying the increasing material and cultural needs of the entire people and to creating a new situation in all fields of socialist construction for modernization.

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STRENGTHEN THE PARTY'S TIES WITH THE BROAD MASSES OF WORKERS

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[Article by Yu Yannan [2456 3601 0589]]

[Text] The CPC is the vanguard of the Chinese working class and a product of combining Marxism-Leninism with the Chinese workers' movement. The working class is the class foundation of our party. Whether the party is able to maintain close and inseparable ties with the masses of its own class is a question of vital importance which concerns its destiny and the future of its cause.

Our party has a glorious tradition of maintaining close ties with the working class. It was under the influence of the Russian October Revolution and our own "May 4th" movement and from the rising workers' movement that the earliest communist groups emerged before the party was founded. Many outstanding leaders of our party were long engaged in the workers' movements. They were the leaders of these movements and had flesh-and-blood ties with the broad masses of workers. A number of outstanding elements of worker origin were trained in the struggles and became the backbone and leaders of our party. During the period from the birth of our party to the failure of the great revolution, it was with the participation and support of the broad masses of workers and with the coordination of the developing workers' movements that our party developed and became stronger and various fighting tasks of our party were undertaken and completed. Without the support of the masses of workers, the party would not have existed and developed. However, since the new democratic revolution in our country must rely on peasants' armed struggles and must follow the road of encircling the cities from the rural areas, from 1927 to 1949, the focus of our party's work was shifted to the countryside. During this period, although the party made great efforts to maintain its ties with the masses of workers, due to the restriction of conditions at that time, the relations between the party and the masses of workers were also restricted in various aspects. After the victory of the people's liberation war, the party's focus of work was again shifted to the cities. This provided better conditions for our party to establish close ties with all the masses of workers throughout the country. However, quite a few comrades were not fully prepared in ideology for such an important change. To counter some confused ideas at that time, Comrade Mao Zedong, in his report at the Second Plenary Session of the

Seventh CPC Central Committee, raised the question of whom we should rely on in the struggles in the cities. He pointed out that in the cities, we must "wholeheartedly rely on the working class." Under the guidance of the correct line, policies and principles, our party greatly strengthened its work among the workers and its ties with the masses of workers. Since our party wholeheartedly relied on the working class in industrial production and in work in the cities, great achievements were scored in rehabilitating the country's economy, in socialist transformation of capitalist industry and commerce and in undertaking planned socialist construction as well as in the reconstruction of the cities. During this period, the party also paid special attention to building the party among the industrial workers. A large number of workers were absorbed into the party, which provided good conditions for the party to establish direct ties with its own class.

Relations between the party and the working class were seriously damaged during the "Great Cultural Revolution." Since the rectification and consolidation over the past several years, the status of the party has been greatly improved, the party's prestige is increasing and certain aspects of the ties between the party and the masses of workers have been resumed and strengthened. This is the main aspect of the status of our party. Judging from the situation of some large-scale leading enterprises which were investigated recently, most cadres and party member workers are good and comparatively good. They are able to be politically in keeping with the party Central Committee and are working hard and conscientiously. Most comrades have played an exemplary role in politics and in production and have maintained an honest and impartial work style. Quite a few of them have been elected model laborers and advanced workers by the masses of people. Many comrades enjoy high prestige among the masses of workers. They have strengthened the party ties with the masses of workers with their exemplary actions. However, owing to various reasons, there are still some cadres and party members, judging from the overall situation of the whole country, who have more or less divorced themselves from the masses. Some of them have gone too far in this respect.

1. Some party member cadres have taken advantage of their power and position to seek privileges and personal gains. As a result, the party's prestige among the masses of workers has been seriously damaged and the leadership of the party has been weakened.

Through investigation, we find that many workers and staff members are resentful of such phenomena as "unhealthy work style of the party," the "privileges of cadres" and "accomplishing nothing without asking others for help." They have made very sharp criticism against them. This shows that these negative phenomena, which exist in some party organizations and among some party members, are intolerable, and that the rectification of the party's work style and organization, especially the rectification of party organizations and leading bodies in the enterprises, has become an important task for the whole party.

The masses of workers strongly oppose the unhealthy work style of some cadres. One of the most common problems is the privileges of some cadres in arranging work and allotting houses for their children and relatives. Some cadres have, through various channels, arranged work for their children and relatives or transferred them from posts which require much labor to those which have better working conditions. Some cadres have taken advantage of their power and position to arrange houses for their children or allot more and better houses to them, regardless of the difficulties of the broad masses in this respect. They have thus created a very bad impression among the masses of workers on these problems concerning the immediate and vital interests of the masses. At present, in some enterprises, some workers are not enthusiastic in the forefront of production, especially in those posts which require hard labor. This has much to do with the above-mentioned mistakes of being divorced from the masses committed by some party member cadres. Since some party member cadres have tried to seek more private interests from the masses, the close relationship between the party and the masses of workers has been seriously damaged. Some old workers said: "In the past, the cadres always did as they said, but now, some cadres do not care for the masses. They stretch out their arms to wherever there is profits. How could people listen to them?" There are also some party member cadres who do not practice democracy in their work. They are used to using oversimplified methods, such as deducting bonuses, rebuking people and giving compulsory orders. They do not value the right of workers as masters of the country and have thus seriously damaged the relations between the party and the masses of workers.

2. Some party members do not play an exemplary role and the fighting strength of the party organizations has been weakened.

Some party members, lacking a high sense of the party organization, have mixed themselves up with the ordinary people, or even with those who lack political consciousness. They often pick easy jobs and shirk hard ones while working, but strive to be the first and fear to lag behind in seeking personal gains. They do not keep their minds on the work assigned to them and are often the first to complain. Some party members do not care for the masses around them, saying that "it would be good if I could take good care of myself." They are, in fact, not ready to play the due role of party members. Thus, they have not only created a bad impression among the ordinary masses, but have also affected the activists. Some active workers who once applied for admission to the party said: "Seeing that some party members are behaving even worse than ordinary masses, our enthusiasm for joining the party has also been dampened." Some young workers said: "If people like him can be admitted into the party, I will not then join the party." From this we can see that when a party member does not play an exemplary role, he has not only failed to do his duty, but has also seriously damaged the party's prestige among the masses.

3. Very few party members are working in the forefront of production. This has directly affected the contacts between the party and the masses of workers and weakened the party's fighting strength.

Over the past few years, since large numbers of veteran party member workers have retired and very few young workers have been absorbed into the party, in addition, party members have constantly been transferred from the front line of production to administrative departments, there are very few party members on the front line of production now. This is an abnormal phenomenon. For example, in Shanghai's No 17 Cotton Mill, of the 8,371 productive workers, there are only 397 party members, which accounts for 4.7 percent of the productive workers. Of the 595 productive groups, 307 have not one party member, which makes up 51.6 percent of these groups. Zhengzhou's north railway station, which is under the Zhengzhou Railway Bureau, has 109 productive groups. But 44 of them have no party members, accounting for 40 percent of the productive groups. There are only 20 party member group leaders in these productive groups. In Beijing's No 3 Construction Company, there are 427 productive groups, but only 15 percent of them have set up party groups and 46.1 percent of the productive groups have no party members. There are very few party members, especially young party member workers, working in the forefront of production. In Nanjing Radio Factory, of the 10,023 productive workers who came to work in this factory after the smashing of the "gang of four," there are only 9 young party members, accounting for 0.87 percent of the young workers who came to the factory in the same period. Besides, four of them were admitted into the party during their service in the army. This shows that very few young workers who are working in the forefront of production have been admitted into the party in the past 6 years.

Since there are very few party members in the forefront of production, many problems have emerged and the direct contacts between the party and the industrial workers have been seriously affected. In the past, there were usually more than 3 party members in a productive group consisting of some 20 or 30 workers. A party group was set up to serve as the core of leadership in doing political and ideological work. Now since there are very few party members, the core of leadership cannot be shaped. Thus, the party has lost an important channel in doing ideological work, and the fighting strength of the party has been weakened.

Since there are very few party members in the forefront of production and they have continuously been transferred to the administrative departments, an abnormal phenomena has emerged: More and more party members have been gathered in the administrative departments while there are fewer and fewer party members on the front line of production. As a result, the more arduous the work posts, the fewer the party members are. This must be promptly changed, because this is not merely a question of the distribution of party members, but a question of great importance concerning the class nature and mass foundation of our party. Our party is a political party of the working class. If the party's strength is weak among the productive workers, who are the main characters in social economic life, the party's advanced role can hardly be displayed.

In light of the above-mentioned problems, we hold that at present, it is especially necessary to rectify the party's work style and organization while the enterprises are being consolidated, so that the party's work can be strengthened in the enterprises and that the phenomenon of being divorced from the masses, which exist, in varying degrees, among some cadres and party members, can be overcome and the ties between the party and the masses of workers be strengthened.

1. It is necessary to strengthen the education of party nature and mass viewpoint among the cadres and party members in the enterprises. Every cadre and party member must understand that our party is a political and vanguard party of the working class. Besides the interests of the working class and the broadest masses of people, it does not have any special interests. Our party is a party which serves the people heart and soul. In the process of leading the masses to realize their immediate and long-term interests, the party must always share the comforts and hardships of the people and maintain the closest of ties with them. No party members are allowed to break away from the masses and place themselves above them. It is necessary to let all party members understand that although our party has become a big party in power, with more than 39 million members, the number of party members among the masses is still very few. The party's tasks can only be fulfilled through the joint efforts of the broad masses of people.

Since many comrades do not possess the mass viewpoint, it is necessary to carry out an education of "winning over the masses" among the vast number of cadres and party members, especially among large numbers of comrades who were admitted into the party after liberation. Since its founding, our party has paid close attention to strengthening its ties with the masses of workers. "Winning over the masses" has always been a most important job for our party and every party member, which must be done most frequently and conscientiously. It is the foundation for our party's work in all other fields. Having close ties with the masses is one of the hallmarks distinguishing our party from all other political parties. It has always been an important policy of our party in the long-term revolutionary struggles and wars to make the greatest possible efforts to win over the masses, to win over the middle elements and to win over all people who can be won over from the antagonistic camps. History shows that this is a correct policy. It has ensured the victory of revolution from one aspect and is still necessary today, for it still has great vitality. At all times, we need to win over more masses and nonparty personages and make them rally around the party and under the party's leadership. However, since our party came to power, quite a few comrades have wrongly held that it is no longer necessary for us to win over the masses, for they have fundamentally changed their position and become masters of the country. Facts have proved this understanding to be wrong. Under the present conditions, we still need to win over and rely on the masses. If we do not win over the masses, or even break away from them and lose their support, we will accomplish nothing at all. At present, since some party members have been seriously divorced from the masses, it is all the more necessary to stress again the importance of winning over the masses. Being Communist Party members, we must never forget that we are servants of the people and must serve the people heart and soul. In a sense, to win over the masses is also serving the people. A Communist Party member can achieve successes in winning over the masses only when he displays the exemplary role of the vanguard. One can hardly, or can never, win over the masses if one does not overcome one's own shortcomings and mistakes. Winning over the masses and maintaining the party's close ties with the masses are sacred duties for all party members. If we firmly carry out these duties, we will never be defeated.

2. It is necessary to improve the political quality of the party members and give play to their exemplary role. The "Guiding Principles for Inner-Party Political Life" and other relevant documents of the party are important documents for carrying out education of how to be qualified party members among the broad masses of cadres and party members. It is necessary to make all party members and cadres understand that all Communist Party members have only the duty to diligently and conscientiously serve the people. They have no right to take advantage of their position and power to infringe upon the interests of the people and to seek privileges. At present, unhealthy tendencies widely exist among the cadres in arranging work and allotting houses for their children and relatives. The masses of workers have a strong aversion to this. In view of this, and in consideration of the continuation of employment and housing problems in the next 5 or 10 years, we suggest that during this movement to consolidate the enterprises and rectify the party, education and examination be carried out among the broad masses of party members, especially party member cadres, to solve these problems in light of the actual conditions in various units. In the future, no party member cadres, especially leading cadres, should be allowed to have a hand in arranging work for their children, which should be rationally arranged by the organization. On the allotment of new houses for workers and staff, the number of houses built, the regulations of allotting houses and the final decisions should be made known to the public. Leading cadres at various levels should not meddle in this matter. Coal mine cadres in various parts of the country have urged their children to return to the pits. This has been effective in encouraging the large numbers of miners to work enthusiastically in the pits. In the future, newspapers, broadcasting services and television must carry on active propaganda of such advanced deeds as well as of the cadres' children working contentedly on the posts of hard labor and advanced deeds of leading cadres in sharing the comforts and hardships of the masses.

It is necessary to carry out education among the broad masses of party members in the industrial and mining enterprises so that they can understand that the masses of workers recognize the party and decide what attitude they will take toward the party and toward labor chiefly through the actual practice of the party members who are working and living with them. In order to correct others' mistakes, one should first be correct oneself. Example is better than precept. We communists must first set good examples in order to influence and educate the masses, to do a good job in mass work and to lead the masses forward. We must set good examples in production, work and study as well as in abiding by discipline and law, in building socialist spiritual civilization and fostering good social atmosphere and in other fields. One can be regarded as a qualified Communist Party member only when one acts in this way, especially when one continues to act in this way in times of difficulty and danger. In order to overcome such phenomena as the low political consciousness and inactivity of some party members and the weakness and laxity of some party organizations, it is imperative to rectify the work style and organization of grassroots party organizations in the industrial and mining enterprises. During the rectification, those party members who continue to be unqualified after education should be cleared out of the party. Only when the rectification is carried out in such a strict way can the political quality of the ranks of party members be improved, the fighting strength of the grassroots party organizations be enhanced and the flesh-and-blood ties between the party and the masses of workers be really established.

Finally, it is necessary to absorb outstanding young workers into the party in an active and prudent manner. In order to solve the problem of there being very few party members in the forefront of production, resulting from the retirement of large numbers of veteran party member workers, much attention should be paid to the absorption of party members from among outstanding young workers. The future belongs to the youths. Our party is a communist political party facing the future. It always attaches importance to absorbing young party members. Now, young workers have become the main productive force. If we fail to timely absorb the advanced youths who have communist consciousness into the party and make them the key force of the party in uniting and educating the broad masses of youths, the party's work will not be able to take root among the youths and the party will not be able to lead the youths successfully forward. At present, the question of how to actively and prudently absorb large numbers of productive workers, especially young workers, who are up to the requirements for party members, into the party in light of the actual conditions of various specific units, must be placed on the agenda (of course, the work to absorb party members from engineers and technicians must continue to be grasped firmly). However, during the investigation, party organizations in many enterprises reported that many activists who have gone through various trials over the past several years, who have been active since the 3d Plenary Session of the 11th CPC Central Committee, who enjoy high prestige among the masses and who are up to the requirements for party members, have still not been admitted into the party due to the rigid restrictions on the number of new members. This has, to a certain extent, dampened the enthusiasm of the people, especially young people, who have asked to join the party. We hold that before the completion of the wideranging party rectification, the policy of appropriately absorbing new party members in accordance with the requirements for party members is correct. However, it is necessary to make stipulations of the number of new party members in light of the concrete conditions in various specific enterprises and units. In those units which have good party work style and discipline and which have done well in political, ideological and management work, the productive workers who are up to the requirements for party members must be promptly absorbed into the party.

What needs to be specially pointed out is that the party organizations and party members in many factories, mines and enterprises do not have a good understanding of the characteristics, history and present conditions of this generation of youths, including the broad masses of CYL members, and are not good at doing work among them. This must be changed. The CPC and CYL organizations at various levels and the vast numbers of party members must more frequently contact young people, be their intimate friends and really care for and help them in the political and ideological fields as well as in study and daily life, so as to discover and train the advanced youths who are qualified to be party members and actively absorb them into the party. Thus, our party will be injected with fresh blood. Our party is now in an important period of cooperation between old and new cadres and succession from the old to the new. We need to discover, train and promote a large number of young and middle-aged cadres. However, we must also notice that before they are promoted, they must usually be trained and absorbed into the party and become qualified party members. At present, due to the retirement of large numbers of outstanding veteran worker party members, the number of party members working in the forefront of production has been rapidly reduced in factories, mines and enterprises. Thus, to absorb young workers into the party to fill the vacancies has become more imperative. We must regard this work, which has an important bearing on the great cause of the working class throughout the ages, as a strategic task and make conscientious study and arrangements.

The situation of the party organizations is closely bound up with that of the working class. When a large quantity of fresh blood is injected into the body of our party, the party's ranks will surely thrive, the ties between the party and its own class will surely be more close and, at the same time, the ranks of the entire working class will also take on an entirely new look.

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THEORETICAL WORKERS MUST TRAIN HARD IN BASIC SKILLS

Beijing RED FLAG in Chinese No 23, 1 Dec 82 pp 30-31

[Article by Shi Youxin [2457 0645 2946]]

[Text] In order to create a new situation in our modernization program in an all-round way, we need a relevant contingent of Marxist theoretical study and propaganda work. Some party and state departments, colleges of liberal arts and social science research organizations have adopted effective measures to strengthen and enrich this contingent. To our delight, many young comrades have joined the rank of theoretical workers in the past few years and we would like to have a chat with them.

When the players of our women's volleyball team were competing for the world championship, hundreds of millions of people were watching the match on television and they were moved by the indomitable spirit of these players. When the masses thought deeply, they could not refrain from asking: What have the players depended on to win the championship on two occasions in the past few years? From our point of view, they have depended first of all on their correct ideology and second on their good basic skills. We cannot but be moved by their strenuous training in grasping basic skills under the guidance and planning of their coaches who trained them highly and strictly. We theoretical workers must also have such a dogged spirit in our training. The great poet of the Tang dynasty Bai Juyi said the following words when he was recalling his career: "Over the past 20 years, I have been busy in collecting taxes in daytime and in reading in the evening and in addition, I have also given courses on poems and consequently I have no time for sleeping and rest. Therefore my tongue and lips become sore and there is a callus on my elbow and although I am still young, my skin and teeth have degenerated." In order to keep his eyes lifelike and vivid, Mei Lanfang released a dove every day and his eyes followed the movement of the dove while Gai Jiaotian fought barehanded with an eagle every day and his eyes were almost pecked out by the bird of prey so as to enable his stage performance of fighting against eagles to be remarkably true to life. They were able to skillfully grasp artistic attainments thanks to their hard training. The young people who have just begun their career as theoretical workers must guard against a showy work style and having grandiose aims but puny abilities and they must in no way be satisfied with a smattering of a subject. Those with these shortcomings are in general transient figures although they have some talents; only a few of them are successful. Therefore the first task for young people beginning their careers is to work hard in grasping basic skills. This is a simple truth that has been derived from the experiences and lessons accumulated by many people over a long period.

What basic skills should theoretical workers have?

They must read books systematically and in a planned way. Reading is needed to do other work and this is particularly so in doing theoretical work. Without reading we can in no way carry out theoretical work. In order to accumulate experiences and understand the experience of our predecessors, it is necessary to read books conscientiously. As there are numerous books, it is also necessary to work out a plan to decide which are to be read first and which later. First it is imperative to read Marxist-Leninist books and those written by Mao Zedong. Marxism is a branch of science and all parts of this science have their own interrelationship and a process of their historical development. We will not be able to really grasp the Marxist scientific system unless we carry out study historically and in an overall way. In our study, we must in no way adopt a piecemeal approach or rely on others in a bid to save effort because in this way we will not be able to make big achievements. We must read extensively, including books about social sciences, natural sciences and some literary and art works. Marx was particularly interested in reading books by Shakespeare and Balzac. "Read extensively and you will be good at writing" refers to the relation between reading and writing. It is beneficial to read more books as long as the method is correct.

Of course, it is not enough just to rely on reading; we must also profoundly understand history and reality through investigations. The history of socialism in our country is not long and yet it has developed tortuously. The current policies of our party have been defined on the basis of summing up the past negative and positive experiences. If we fail to understand the past, we can in no way profoundly understand today, while to carry out meticulous investigations in a systematic way is the basic method for understanding history and current situations. If we do not understand reality and instead confine ourselves to books, it will be difficult for us to create even though we have read more books. "Investigations" must not be limited to just collecting second-hand materials while "study" does not mean merely ruminating achievements of others; in addition, we must follow the examples of writers to go deep among the masses so that there will be a profound change in our ideology and feelings and consequently we will be able to gain true knowledge and have specific views.

We must accumulate materials and be diligent in our writing. Reference materials are the foundation of theoretical workers and without such a foundation it will be impossible for them to make progress. We must try to gain materials by ourselves and not just rely on "ready meal." No matter how good materials are, they will not become ours without our efforts in digesting them. Theoretical workers must spare no effort in thinking and in writing. Diligence in writing will help to constantly improve theoretical thinking and the ability to express ourselves so that we will be able to constantly open up and consolidate our spheres of knowledge.

Therefore we must keep on studying unflaggingly and not sporadically. We must have the will to make progress and persist in placing strict demands on ourselves. We cannot resort to trickery, instead, we must study hard. It is not easy to read Marxist books in a systematic way while numerous, arduous and meticulous works are needed in carrying out study and investigations. Marx wrote the book "Situations of the British Working Class" after he carried out meticulous investigations in the filthy workers' district in Manchester. Si Maqian traversed mountains and rivers across a prefecture in ancient times to seek the cultural heritages and anecdotes of his predecessors and consequently he "was able to do desultory reading, run through classic works and his influence has been able to play an outstanding role in the literary world for thousands of years." It was really difficult to do so under such difficult traveling conditions at that time. Tolstoy said: "One can begin to write only when each time he dips in ink he leaves his blood in the bottle of ink." Those who are determined to become theoretical workers will not be able to grasp basic skills unless he has this spirit of fearing no sacrifice and the spirit to "fight" against difficulties.

To grasp basic skills is a slow process and therefore it must be carried out scrupulously and in an orderly way and step by step. Like learning the basic skills of writing, theoretical workers must also learn basic skills by starting from writing "regular characters" and then proceeding to "running hand" and "maturing as caligraphers" and consequently they become lively and vigorous flourishes in calligraphy and they are in a position to freely wield their writing brushes. In this aspect, slowness is for the sake of rapidness. If we are impatient for success before we have acquired the necessary foundation, we will only make waste. We must be content with quietness and daring to "hold a title without any obligation." Our motto should be: "No difficult things in the world and when there is a will there is a way; no easy things in the world and those who are persistent will get them."

We theoretical workers are serving the people and the cause of socialist construction and therefore we must get rid of the shackle of fame and gain and cherish lofty ideology. Marx constantly improved his theory because he considered it was a crime not to provide the best things to workers. We must also consider working hard in grasping basic skills as part of the practice of communism and do this work with concentrated effort.

Basically it depends on individual effort to grasp basic skills. But the high standard and strict requirements of the leadership and help from veteran comrades are also very important. Many facts proved that whether combat capability of a contingent of theoretical workers is strong or not and whether young theoretical workers can be brought up and to produce talents are inseparable from the leadership roles. It is a general truth of various trades that "strict masters bring about skillful apprentices." Strictness represents really good care of all comrades and particularly young ones. It is irresponsible to see our comrades taking a crooked path and yet we do not mend them. Therefore it is imperative to grasp well the work of training young comrades in basic skills. For these comrades, it is necessary to stress the importance of study, help them work out planning, pay attention to checking and testing their study and to commend and encourage their achievements and progress. It is also necessary to organize and encourage veteran comrades to help young comrades. In this way, we will be able to constantly train new backbones of theoretical workers and rapidly improve the nature and level of the contingent of theoretical workers.

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HOW TO STUDY THE 'GENERAL PROGRAM' OF THE NEW PARTY CONSTITUTION

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[Article by RED FLAG Theoretical Education Editorial Office]

[Text] The new party constitution passed by the 12th party congress has systematically summed up the historical experiences in the building of the party and reflected the demand of the party in our life. It is an important guarantee for making the party even stronger under the new historical period. The new constitution has a "general program" with relatively rich contents. In fact, this program is the basic program of our party and the criterion for measuring all party activities. Therefore, before studying the new constitution, it is necessary to study well the program.

The "general program" is written concisely and yet is rich in content. In studying this program, we can divide it into four main points.

First, the nature and guiding ideology of the party.

Second, the scientific socialist theory and the goals of the struggles of the party.

Third, the general tasks and basic policies of the party at the present stage.

Fourth, the three basic requirements in party building and the basic principle of the leading roles of the party.

In studying the "general program" we must first understand why it is necessary for the constitution to have a "general program" and also understand the significance of this program in terms of the unity of the party.

A proletarian political party must have a program that is based on the science of Marxism to openly declare its nature, goals of struggles and basic viewpoints and its own duties and principles of action. Engels said that the program of a party "is a flag that is openly hoisted and the outside world judges this party according to this flag." ("Selected Works of Marx and Engels," Vol 3, p 31) The "Communist Party Manifesto" is the program written by Marx and Engels for the "Communists Alliance." It has openly declared the flag of communism throughout the world. It declared that the capitalist system will eventually be eliminated and the communist system will eventually win throughout the world. The "Communist Party Manifesto" remains the basic theoretical foundation for us communists. To review the "Manifesto" in our study of the "general program" will help us understand even deeper the significance of this program and make us even more confident in our struggles for the realization of communism.

Ours is a proletarian political party that is built under the theoretical guidance of Marxism. Since its foundation, the party has had its own program that clearly defined its goals of struggles and its organizational principles. All the constitutions of the party since the seventh party congress has had a "general program." The "general program" of the new party constitution is formed on the basis of summing up in a systematic way the rich experiences of our party in the practice of socialism, including the serious lessons of the "Great Cultural Revolution." It has generalized the nature and guiding ideology of the party in a more complete and scientific way, the long-term and intermediate goals of the party, basic demands on party members and organizations by the party and the basic principles by which the party has correctly displayed its guiding roles. It is the basic program for the unity of the party under the new historical period and for the party to march along the socialist road and struggle for communism. Lenin said that the program of a party "is of great significance for uniting the members of this political party and for its consistent activities." ("Collected Works of Lenin," Vol 4, p 201) The purpose of a party constitution in demanding each of its members to acknowledge the program and regulations of this party is to guarantee the unity of the whole party and to make party members persist in accomplishing the historical tasks of this party. That is why it is imperative for each party member and all comrades that have applied to join the party to conscientiously study the "general program" so as to understand the basic principles of scientific socialism and the practical experiences of our party, improve the level of their ideology and understanding and raise their consciousness of struggling for the cause of the party throughout their life.

In studying the first point, it is necessary to correctly understand the nature and roles of the party and the vanguard roles of the working class. It is also necessary to profoundly understand the importance of guiding ideology in party activities while the whole party must conscientiously study Marxism-Leninism-Mao Zedong Thought.

The "general program" scientifically and completely expounded the nature of the party: "The CPC is the vanguard of the working class in China, the loyal representative of the interests of the people of various nationalities in the country and the leading core of the socialist cause."

Marxism holds that any political party has its own class nature. The Communist Party is the political party of the working class but it is only a part of this class and this is the advanced part. It is for this reason that the previous constitutions of our party explicitly pointed out: The CPC is the vanguard (or advanced army) of the Chinese working class.

Because of the social and historical conditions in which our party exists, the proportion of workers among our party members has always been low but this situation in no way affects the position of our party as the political party of the working class. It is because, generally speaking, the nature of the party is decided by the party guiding ideology, political line and organizational principles that are defined by the "general program" which have guaranteed that our party will maintain the advanced nature of the working class. Despite the fact that various forms of nonproletarian thinking will be eventually and constantly reflected within the party, this reflection is illegal and it has to be constantly overcome.

The advanced nature of our party is mainly manifested in the fact that the party has gathered together the conscious fine elements of the Chinese working class and of the masses of Chinese people. Our party has armed itself with a scientific world outlook. It is representing the whole interest of the working class and the whole nation and it has always played the roles of the leading core in various stages of the development of revolution. Now the key task of the party is carrying out the socialist modernization program. That is to say, the vanguard roles of the party today are mainly shown in leading the people in building socialism with high material and spiritual civilization and high democracy. Consequently, the "general program" has abolished the concept that the party "is the vigorous and vanguard organization that is leading the proletariat and the revolutionary masses in fighting against the class enemy" which was defined in the party constitution of the 11th party congress. This move is in line with the current political and economic situations of our country and with the demand of the general tasks of the party at the present stage.

In expounding the nature of the party, the "general program" also contained the sentence that is basically the same as the one used in the party constitution of the seventh congress. This sentence is that the CPC "is the loyal representative of the interests of the people of various nationalities in China." The only purpose of our party is to wholeheartedly serve the people and this purpose is the particular symbol of the political party of the proletariat. The activities of our party in the past 60 years and more never departed from this purpose. The leading position of our party as the ruling political party makes it easy for party members and particularly party cadres to divorce themselves from the masses. The abovementioned stipulation on the nature of the party in the "general program" is aimed at maintaining the party's political color of wholeheartedly serving the people and of preventing any trend of divorcing themselves from the masses and violating party rules and regulations in seeking personal interest and privileges.

The "general program" stipulated: "The CPC has taken Marxism-Leninism-Mao Zedong Thought as the guidance of its actions." This is the most basic condition for seeing that our party displays its vanguard roles of the proletariat. Lenin said: "It is only the party that has taken advanced theory as its guide that will be in a position to display the roles of advanced fighters." ("Selected Works of Lenin," Vol 1, p 242)

We have won great victories both in revolution and construction under the guidance of Marxism-Leninism-Mao Zedong Thought. In our Long March in the future, we will win still greater victories as long as we rely on the guidance of Marxism-Leninism-Mao Zedong Thought. It is true that some Marxist-Leninist conclusions are no longer applicable today, but the basic principles of Marxism-Leninism and its stand, viewpoints and methods still remain the most powerful spiritual weapon for us in undertaking and transforming the world. Mao Zedong Thought is the product of the combination of the universal truth of Marxism-Leninism with the reality of the Chinese revolution, and is the valuable spiritual wealth of the party. We can in no way deny the scientific value of Mao Zedong Thought and its guiding roles in the revolution and construction of our country just because Comrade Mao Zedong made mistakes in his advanced years.

Since Marxism-Leninism is the guiding ideology of our party, it is only natural that the party has put forth study tasks for its members. With regard to the obligation of party members, the party constitution stipulated: "Conscientiously study Marxism-Leninism-Mao Zedong Thought," and the basic tasks of party organizations at grassroots levels are to "organize party members in conscientiously studying Marxism-Leninism-Mao Zedong Thought" while, with regard to basic conditions for party cadres, the constitution stipulated that it is necessary to "have theoretical and policy level of Marxism-Leninism-Mao Zedong Thought." But some party members no longer bear in mind that it is their obligation to study the guiding ideology of the party and consequently they considered that it makes no difference whether they study or not. It is right to work hard to improve one's professional skills, in particular to acquire the specialized knowledge that is required in the modernization program. But communists must be armed with theory because it is not only needed in keeping correct political orientation but is also in the interest of doing a good job professionally.

In studying the second main point, it is necessary to understand: First, it is an objective law of social development to realize socialism and communism; second, the socialist system has the advantages that are beyond the reach of the capitalist system and it is not a "distant and indistinct illusion" to realize communism.

The "general program" stipulated: "The final goal of the party is to realize the social system of communism."

The "general program" expounded the theory and practice of scientific socialism in a big paragraph. Scientific socialism is part of Marxism-Leninism as well as the basic theoretical foundation for our party in defining its goals of struggles. This theory tells us that to realize socialism and communism is a natural trend in the development of world history. The capitalist society is the last social system with exploitation of men by men. The basic contradiction of a capitalist society is the contradiction between socialized mass production and private ownership of the means of production. This contradiction is beyond the reach of the capitalist system itself to resolve and it determines that capitalism will eventually be replaced by socialism. The proletariat is the most advanced and revolutionary class and it has shouldered the great historical task of burying capitalism and realizing socialism and communism. Our party has taken the realization of the communist social system as its final goal and its party members have sworn to struggle for the realization of communism throughout their life and all these are based on the above-mentioned scientific theory.

The scientific socialist theory formed by Marx and Engels has been tested and proven by the long period of practice in international communist movements and has been further developed in practice. Basing himself on the historical conditions for the era of imperialism, Lenin pointed out more than half a century ago: "Unbalanced economic and political development is an absolute law of capitalism. Therefore the conclusion is: It is possible for socialism to win victory in a few or even a single capitalist country." ("Selected Works of Lenin," Vol 2, p 709) This prediction of Lenin's was fully proven by the victory of the October Socialist Revolution in Russia. The victories of the Chinese revolution and construction have also been won under the guidance of scientific socialist theory which has in the process also been enriched and developed. The development of world history and particularly the establishment and development of the socialist system in some countries have served to prove that the victories won through the proletarian revolution, the replacement of the capitalist dictatorship by the dictatorship of the proletariat and the replacement of the capitalist system by the socialist system represent universal law of the development of society. Various countries have followed this law and taken various forms of revolutionary struggles and socialist construction with their own features.

The "general program" has concisely pointed out the superiority of the socialist system that is beyond the match of capitalist system. Having experienced the situation in which the economy and scientific technology of our country are relatively backward and the standard of living is comparatively low, some people consequently denied the superiority of the socialist system and lost confidence in the future of socialism and communism. This view is based on an objective factor of the damages caused during the 10 turbulent years that have made people passive ideologically, but what is more important is that it is because of ideological understanding. Our country was formerly semicolonialist and semifeudalist, coupled with a backward economy and culture. We began to carry out socialist construction on this basis not long ago and therefore it is impossible to develop the economy and scientific technology considerably in such a short period. It is not scientific simply to compare our country with the advanced capitalist countries that have hundreds of years of history behind them and to do so without making analyses. Furthermore, any development of capitalism is based on the exploitation of the people of the related countries and the plunder of their colonies and although advanced capitalist countries have very high national revenues, most of these revenues fall into the hands of a few capitalists. On the other hand, the greatest advantage of the socialist system is the abolishment of the exploitation system. Under such a social system, people have become true masters of their own countries and with the passing of the days, they have gradually formed a common ideal, morality and discipline; they have realized the public ownership of the means of production and the system of from each according to his ability and to each according to his work and consequently they are able to develop social productivity in a planned way, proportionately and in high speed, and meet the increasing needs of people's material and cultural life. Following the development of socialist construction and the perfection of various systems, this superiority will be displayed even more fully. It will be contradictory to reality if we fail to see all this, consider that socialist system has no superior and consequently lose confidence in the future of socialism.

Socialism is the preliminary stage of communism. As pointed out by the "general program," the change of socialism to communism must be realized through tremendous development of productivity and tremendous progress in ideology, politics and culture. Such a change is a long process that requires persistent and unremitting efforts for generations to come. But it is natural that socialism will develop into communism and therefore the final party goal of realizing communism is in no way a "distant and indistinct illusion." No matter when and where, we communists must be confident that communism will triumph and we must also believe that socialism and communism will eventually and gradually win victories throughout the world through the ways that are voluntarily taken by the people of various countries according to their specific conditions.

In studying the third main point, we must first correctly understand the important significance of social principal contradictions in defining the general tasks of the party from the point of historical experiences; second, we must correctly understand the relationship between economic construction and the building of spiritual civilization and the development of socialist democracy and understand the party's basic domestic policies and international policies.

The party's general tasks are defined under the premise of correct understanding of social principal contradictions. On the basis of summing up historical experiences, the "general program" clearly put forth the main contradictions of our society in the new historical period and it is on this foundation that the party's general tasks are defined. We have experienced a tortuous path in history and profound lessons in understanding social principal contradictions. Following great victories in socialist transformation, our party convened the eighth congress in 1956. This congress made correct analyses on the social class situation and economic and political situations of our country at that time. It explicitly pointed out that the principal contradiction at home was no longer the contradiction between the proletariat and the bourgeoisie but the contradiction between economic and cultural development and people's increasing needs. It also pointed out that the main task of the whole nation was no longer carrying out class struggle but to concentrate strength in developing social productivity, realizing the industrialization of the country and gradually meeting the increasing material and cultural needs of the people. But because our party did not have enough ideological preparation for overall socialist construction not all the comrades within the party profoundly accepted the congress' meaning about social principal contradictions and many other correct views and therefore they failed to persist and develop all these in practice. Following the 3d Plenary Session of the 11th CPC Central Committee, our party resolutely abolished the slogan of "having class struggle as the key," and with firm determination, it shifted key works to carrying out the socialist modernization program and economic construction. Such a move was a strategic policy that was based on past historical experiences and on scientifically reanalyzing the social principal contradiction in our country. This point was included in the "resolution" of the sixth party congress as well as the "general program." Such a measure is of profound significance in unifying the ideology of the party and in concentrating our efforts in carrying out the socialist modernization program.

On the basis of analyzing the social main contradictions in our country, our party has defined the general tasks of the present stage: Unite the people of various nationalities across the country, self-reliance and hardworking, gradually modernize industry, agriculture, national defense and scientific technology and build our country into a socialist country with a high degree of civilization and democracy. The main contents of the general tasks are closely related and they promote each other. Our key tasks are carrying out socialist modernization program and economic construction and they are the foundation for solving internal and international problems. The building of material civilization and socialist spiritual civilization condition and determine one another, and we cannot emphasize one aspect at the expense of another; in order to guarantee and promote the building of the two civilizations it is also imperative to spare no effort to develop socialist democracy, perfect the socialist legal system and consolidate and strengthen the people's democratic dictatorship.

According to the requirements of the general tasks, the "general program" has defined the basic party policies on the relations of nationality and the patriotic united front; it has also defined the basic stand of the party in international affairs, the relations of our country with other countries in the world and the basic principles of relations of our party with the communist parties in other countries and political parties of other working classes. In his report to the 12th party congress, Comrade Hu Yaobang expounded in an overall way the general tasks and various basic policies of the party and, therefore, in studying this main point of the "general program" we must also study the relevant part of his report.

In studying the fourth main point, we must understand: First, the contents and significance of the requirements of the three basic principles; and second, how to realize the leadership of the party.

The "general program" stipulated that in order to lead the people of various nationalities across the country in realizing the great goal of the socialist modernization program and strengthen the building of the party, it is imperative for the party to become highly unified in ideology and politics, to wholeheartedly serve the people and to persist in democracy, and we must uphold these three basic requirements. During our study, we must also grasp the main points of these requirements. The main points of the first basic requirement include: First, to guarantee the unified political basis of the whole party; and second, to guarantee the unified ideological line of the whole party. The second basic requirement includes: First, the basic interest of the party is none other than the interest of the working class and the broad masses of the people; second, the party shares weal and woe with the masses and keeps close contact with them; and third, persist in the mass line. The third basic requirement mainly includes: First, carry out high centralization and step up organization discipline on the basis of fully displaying democracy; second, launch criticism and self-criticism in a correct way, uphold truth and correct mistakes; third, implement the principle of equality in party discipline.

These three basic requirements are determined by the nature of the party as the vanguard of the working class. Our party is a united and unified combat collective and therefore it will be able to guarantee its unity in the struggle for its common goal with one heart and one mind only when it is able to keep highly unified in ideology and politics. The only purpose of our party is to wholeheartedly serve the people and the basic way for realizing this purpose is to keep close contact with the masses and persist in the mass line. Democratic centralism is the organizational principle of the party and is an important guarantee for displaying the initiative and militancy of the whole party fail to persist in high unification in ideology and politics and factional activities and strife are allowed, should the party fail in wholeheartedly serving the people and turn to seeking the private interest of individuals or small cliques and should it fail to persist in democratic centralism and turn to allow arbitrary decisionmaking by individuals, it will naturally fail to maintain the color of a political party of the working class and eventually it will become degenerate.

The three basic requirements have concentratedly manifested the fine tradition of our party and were also included in the party constitutions of the seventh and eighth party congresses. The "general program" of the new party constitution has inherited and developed the advantages of the "general programs" of the constitutions of the seventh and eighth congresses with more explicit definitions and therefore this "general program" will play an active role in party building.

These three basic requirements are also based on the summing up of experiences and lessons of the "Great Cultural Revolution." In their effort to undermine our party, Lin Biao and the "gang of four" first undermined the unity and democratic centralism of the party in their bid to change the party into their tools for the seizure of party and political power. The serious effects of these activities have constituted a reason for the unhealthy work style in our party. Seen from negative and positive historical experiences, it is imperative to strengthen the building of the party by strictly following the three basic requirements so as to turn our party into a powerful core in leading the socialist modernization program. It is necessary in our study to find our shortcomings by comparing them with the three basic requirements so that we will become the communists that are up to standard and will strive to basically change the style of our party for the better.

The "general program" finally expounded how to realize the leadership of the party and defined the basic principles for party leadership. It stipulated: "Party leadership mainly refers to political, ideological and organizational leadership." There are three main points for realizing party leadership: First, defining and implementing correct line, principles and policies; second, doing a good job of party organizational work and propaganda and education work and third, display the vanguard and exemplary roles of all party members in all works and social activities. These definitions have pointed out the orientation for doing a good job of the party and strengthening and improving party leadership.

Our party has played leading roles in state works and various aspects of social activities and therefore party organizations at various levels have complicated and arduous works. Because of a long period of historical reasons, the party leading system has yet to be perfected. It is often that "leadership of party committees and party secretaries in command" are emphasized in any work and consequently party organizations have found themselves involved in administrative works, and have even replaced administration and take care of everything. As time passed, this practice consequently became regarded as normal and many comrades have considered this practice as strengthening party leadership. In fact, such practice has resulted in a situation in which the party does not care for its work, the building of the party has been spoiled and party leadership has been weakened. The above-mentioned definition about party leadership in the "general program" is aimed at overcoming the shortcomings of mixing party works with administration and of the party monopolizing everything so that to strengthen the party's political, ideological and organizational leadership, strengthen party building and at the same time guarantee that government departments and enterprises will be able to carry out their works independently and effectively.

The "general program" also stipulated that the "party must carry out its activities within the spheres of the state constitution and legal system" and that it must strengthen leadership over various mass organizations so as to fully display their roles and strengthen its close cooperation with the masses outside the party. All these have been put forth on the basis of summing up the past experiences and are very important in helping the party correctly display its roles.

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WHY IS THE POLICY OF 'UNIFYING WITH, EDUCATING AND REFORMING' INTELLECTUALS NO LONGER IMPLEMENTED?

Beijing RED FLAG in Chinese No 23, 1 Dec 82 pp 37-38

["Answering Questions" article by Cheng Hong [2052 3163]]

[Text] Workers, peasants and intellectuals are the three basic social forces in our country. In carrying out our policy toward intellectuals, we must regard them in the same light as workers and peasants, as forces to be relied upon in the construction of socialism, and give full play to their role. Since the 3d Plenary Session of the 11th CPC Central Committee, there has been no further mention in Central Committee documents or in the speeches of central leaders, of "uniting with, educating and reforming" the intellectuals. This constitutes an important readjustment in the party's policy toward intellectuals.

The kind of policy the party adopts toward intellectuals is decided by the party's tasks and the state of the intellectual contingent during different historical periods. In the early years of the PRC, with regard to the intellectuals left over from the old society, the party continued to conduct the policy of "unity, education and reform" laid down during the revolutionary war years. This was because at that time, since the party's historical task was to thoroughly complete the democratic revolution and carry out socialist transformation, it could rely only on the workers and on the poor and lower-middle peasants, while intellectuals formed a reliable allied army to be united with. At the same time, there was the problem of adapting the intellectuals politically and ideologically to the needs of the new society and transforming their world outlook so that they would turn from serving the old society to serving the new one. Therefore the implementation of this policy was appropriate at the time. By 1956, the socialist transformation had achieved decisive victory, and the CPC Central Committee convened a meeting on the issue of intellectuals, so that the policy on intellectuals would be readjusted in good time. They pointed out that the vast majority of intellectuals now constituted a part of the working class, and decided on the correct principles and policies. But due to the development of "leftist" guiding ideology which followed, this policy readjustment was not upheld. Our country has now entered a new period of historical development; the exploiting classes have been eliminated, and the party's general task now consists of carrying out the gradual modernization of industry, agriculture, national defense and science and technology, building our country into a highly civilized, highly democratic socialist state. Under these new historical conditions, it is even more necessary to rely on the intellectuals. At the same time, the ranks of intellectuals themselves have undergone great changes. The vast majority of the present intellectual ranks consist of those brought up after the founding of the PRC. They have received the education of the party and the socialist state, they are engaged in socialist labor, and the great majority of them were born into the families of the laboring masses. The proportion of intellectuals left over from the old society is very small, and these people have worked earnestly for socialism for over 30 years; they have undergone the same experiences and hardship as the party and the people, and have made great political and ideological progress. Therefore, relying as much on intellectuals as on workers and peasants to build socialism is the inevitable result of the development of history. The attitude that the more knowledge someone has the less reliable or even the more reactionary he is, is an ultraleft fallacy created by Lin Biao, Jiang Qing and their ilk. We should no longer be influenced by it.

"An intellectuals' work is light and comfortable and cannot be compared with that of workers and peasants who work so hard and sweat so much." "Workers and peasants are the creators of a society's wealth, while intellectuals are supported by them; they cannot be on an equal footing." That certain comrades think like this is due mainly to their lack of understanding of the characteristics and function of mental labor. Mental labor is an arduous kind of creative labor. Such phrases as "racking one's brains," and "shedding one's heart's blood" could be said to be appropriate metaphors to describe mental labor. How can it be denied that mental labor is an equally arduous and hard form of labor? As to the role of mental labor in the progress of society, the 12th party congress has clearly indicated that science and technology are the key to the implementation of the four modernizations and education its basis. For instance, the advance of science and technology brings about a massive growth in industrial and agricultural production; and the improvement of economic management results in marked increase in economic benefits. There are thousands of other such examples. The results which intellectuals' mental labor creates are not only able to form or be turned into material wealth, but the role they play in the increasing of that material wealth is often incomparable to simple physical labor. If we break down the narrow-mindedness of the small producer, we will come to realize that intellectuals, who engage in mental labor along with workers and peasants who do physical labor, are all laborers indispensable to the construction of socialism, and should all be forces our party can rely upon.

"Does this really mean that intellectuals no longer have to reform?" This is another piece of reasoning used by those comrades who are unwilling to abandon the slogan "unity, education, reform." The 12th party congress report stated clearly that we must "improve their ideological and political education in accordance with their special characteristics." So we can see that the party has by no means said that we need not educate or reform intellectuals. At present, the lingering poison of the exploiting classes has not yet been and cannot possibly be eliminated, and foreign capitalism might still influence and corrupt us; so the transformation of world outlook, in its general sense, is the duty of every member of society, and of course of all intellectuals. Since intellectuals bear an important responsibility toward the building of socialist spiritual civilization, they must pay even greater attention to their own ideological building; they must earnestly study Marxism-Leninism-Mao Zedong Thought, identify with the workers and peasants, and become both Red and expert. However, this is a completely different thing from carrying out reform on intellectuals as if they were capitalist intellectuals, as in the past.

Comrade Mao Zedong said: "Without the participation of the intellectuals, the victory of the revolution will be impossible." In the same way, without the participation of the intellectuals, the victory of the construction of socialist modernization will be impossible. To bring peace of mind to the intellectuals and brace their spirits, so that they may contribute all their wit and wisdom, we must rely on the correct and thorough implementation of the party's policy. Because in the past "leftist" mistakes arose in our guiding ideology, intellectuals were labeled capitalist intellectuals, "unity, education and reform" continued to be stressed, and eventually, with the 10 years of disorder, came the serious consequences of the exclusion, attack and persecution of intellectuals, and the devastation of education, science and culture. This lesson of history must not be forgotten. Over the past few years, as the CPC Central Committee has worked persistently at bringing order out of chaos, it has readjusted the policy toward intellectuals, bringing it back onto the right path. The pressing task now is for the whole party to firmly grasp the work of implementing this policy, and create a new situation in work concerning intellectuals. The breaking of the bonds of "leftist" thinking and the small-producer mentality, the elimination of the erroneous influence of discrimination against intellectuals, and the abandonment of the outdated policy of "unity, education, reform" should be seen as the key to this.

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IS THERE CLASS CHARACTER IN SPIRITUAL CIVILIZATION?

Beijing RED FLAG in Chinese No 23, 1 Dec 82 pp 38-39

[Article by Zhang Qihua [1723 0796 5478]]

[Text] Is there class character in spiritual civilization? A simple answer of "yes" or "no" to this question is not appropriate. Only through concrete analysis, can we understand correctly.

The spiritual civilization which we are talking about is socialist spiritual civilization, which, as indicated by itself, is different from capitalist and feudal ones. It is, therefore, not appropriate to talk about spiritual civilization without discrimination. The 12th CPC Congress report clearly pointed out that socialist spiritual civilization constitutes an important characteristic of the socialist system and takes communist ideology as its core. Cultural construction must also be carried out under the guidance of communist ideology and ideological construction determines the socialist character of our spiritual civilization. All this clearly shows that socialist spiritual civilization is absolutely different from all spiritual civilization under the exploiting system with regard to general nature.

However, it cannot be said indiscriminately that there is class character in the content of every item of spiritual civilization. Because spiritual civilization consists of many items, which vary in their specific content. There is class character in some content or some fields of the content but there is no class character in others. Therefore, we must make a concrete analysis of the content of spiritual civilization.

As far as cultural construction is concerned, there is class character in such basic problems as guiding thought and on whose behalf, whether for developing education, science, literature and art, journalism, broadcasting and other cultural causes or upgrading the cultural level of the masses and carrying out cultural activities. Socialist cultural construction must serve socialism, take communist ideology as its guide and march along the direction of communism. For example, the development of educational cause in socialist countries and that in capitalist countries are essentially different whether in educational policies or in direction of development. Such a difference is the difference of class character. It is all the same in literature and art. As social ideology, literature and art is the product of the reflection of certain social life in the minds of people. In a class society, writers and artists understand, reflect and evaluate life from the viewpoint of a particular class. Therefore, the ideological content of literature and art cannot but bear the hallmark of a particular class. However, this does not mean that there is class character in every field of it. For example, as regards many specific contents of education, the general knowledge of mathematics, physics, chemistry, languages and logic are the achievements made by mankind in understanding of the world over several thousand years, which should be mastered by people under various different social systems. There is of course no class character to this part of the contents of culture and education. In addition to their general social character, literature and art have their own specific laws. Excellent literary and art works of each age can all pointedly reflect some contradictions of the social life at the time by using vivid and typical images and significantly express some progressive ideas and feelings with skillful techniques and in perfect forms. Such literary and art works can make people of later ages realize the life at the time, understand the progressive ideological content and use the techniques and forms for reference. Such an excellent literary and art heritage also bears the hallmark of a class, but is liked by the broad masses and is the common cultural treasure of mankind. Undoubtedly, to critically inherit this literary and art heritage is indispensable to the development of the socialist cultural cause. As for natural science, it reflects the law of development in nature and has no class character; it can, therefore, be discovered, mastered and utilized by people of different classes. Of course, the purpose of utilization and service of natural science is determined by the class which masters it. This is yet another problem.

On the whole, the contents involved in ideological construction possess conspicuous class character. An ideal is meant for people's expectation and pursuance of the future and has conspicuous social and class character. Different classes in different societies have different ideals. The same may apply to moral integrity. In a class society, all classes extend to their own moral concepts from their specific class status and interest. The basic principle of capitalist morality is bourgeois individualism: but the basic principle of communist morality is proletarian collectivism. Disciplines are also different in different societies. Proletarian discipline is a conscious one and reflects the serious organizational character of the proletariat. This is essentially different from the compulsory discipline established on the basis of the exploiting system. Therefore, there is, on the whole, class character in the content of ideological construction. However, this does not mean that there is class character in all contents of it, because it involves some codes of morality and conduct which all societies must possess in order to maintain normal life. For example, there is no difference between the proletariat and bourgeoisie when it comes to the issues of paying attention to decorum, observing traffic rules and maintaining public order.

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WHY DO WE SAY THAT THE 'GUIDING PRINCIPLES' ARE AN IMPORTANT SUPPLEMENT TO THE PARTY CONSTITUTION?

Beijing RED FLAG in Chinese No 23, 1 Dec 82 p 39

[Article by Yong Keyang [7167 0668 7122]]

[Text] The "Certain Guiding Principles on Inner-Party Political Life," passed by the 5th Plenary Session of the 11th CPC Central Committee, are the party's rules and regulations laid down on the basis of summing up our party's positive and negative experiences regarding its handling of relations within the party, relying on the party building theory of Marxism-Leninism-Mao Zedong Thought. The party constitution is the party's basic law; of course, this constitution contains stipulations on certain important questions of principle concerning inner-party political life, nevertheless, it is impossible to state all the specific parts of each principle one by one, so the "Guiding Principles" therefore constitute an important supplement to the party constitution.

The "Guiding Principles" provide a theoretical and practical solution to all the important problems concerning inner-party political life in accordance with the new tasks and situation facing our party. Regarding the party's fine traditions and style, all the divisions between right and wrong in inner-party political life and especially the morals and style essential to a member of a ruling party, the "Guiding Principles" have raised these to the status of party rules and regulations and fixed them there. Moreover, they have systematized and standardized the many successes our party has experienced in solving problems within the party and provided all levels of the party organization and every party member with a clear-cut norm for behavior. Now that we have both the new party constitution and the "Guiding Principles," party organizations at all levels and all party members are even more clear about what they should support and oppose and under various conditions, what they should do, what they are not permitted to do and how they should act. If we earnestly carry out the new party constitution and the "Guiding Principles," we will be able to handle correctly the relations between democracy and centralism, freedom and discipline, and unity and struggle within our party; the relations between the organization and the individual, the upper and lower levels, the leadership and the masses, between the members of party committees and between party members; and all the contradictions within the party. In this way, we will turn the party into a strong militant collective united as one. The "Guiding Principles" crystallize the whole party's experience and wisdom and as a series of important principles to abide by when dealing with inner-party relations, they constitute an important supplement to the party constitution.

Certain specific rules contained in the "Guiding Principles," from the point of view of the corresponding parts of the new party constitution, are also important supplements. The general program of the new party constitution states: In order to lead the whole country and the people of all nationalities to realize the magnificent goal of socialist modernization, the CPC must strengthen party building, foster the party's fine tradition, and enhance its fighting strength; to this end it must fulfill three basic demands, the first of which is "a high degree of ideological and political unity." The first article of the "Guiding Principles" clearly states that "the upholding of the party's political and ideological line is the most fundamental of the guiding principles for inner-party political life." It also states that all party comrades must determinedly and thoroughly implement the party's Marxist-Leninist political line. Furthermore, the "Guiding Principles" also states that "all CPC organizations, departments and members must consciously and resolutely carry out the party's political and ideological line. The duplicitous attitude of open, passive or covert resistance to the party line or its leadership will not be tolerated by party discipline." Some other important stipulations contained in the new party constitution, concerning such things as the system of democratic centralism, party discipline and demands on party members and cadres, are also given more concrete explanations and provisions in the "Guiding Principles." That the "Guiding Principles" have provided specific stipulations on important principles concerning party building means that our party's rules and regulations are even more complete, substantial, and helpful to the struggle against unhealthy tendencies within the party and to the enhancement of the party's fighting strength.

The "Guiding Principles" constitute an important set of laws and regulations and a powerful weapon for correcting party style. They were drawn up mainly in response to the irregularity of inner-party political life, the incorrectness of party style, the damage caused to the party's prestige, and other conditions brought about by the "Cultural Revolution." Moreover, their formulation represents an important measure adopted by the central authorities to rectify the party. Through the hard work of the whole party, it has undergone a marked turn for the better over the last few years and where the "Guiding Principles" have been implemented relatively well, political life within the party has gradually returned to normal. The "Guiding Principles" now form a mirror by which to examine party style and discipline, a criterion for assessing truth and falsehood and a weapon to use in the struggle against unhealthy tendencies. At present our party's style has not as yet undergone a fundamental turn for the better and the problems of impure ideology, work style and organizations still exist; all of this causes serious harm to the party's prestige. Our experience of fighting all kinds of unhealthy tendencies in the party tells us that wherever the "Guiding Principles" are implemented thoroughly and earnestly, unhealthy tendencies lose their market and the party organizations enjoy high prestige among the masses; in areas where this is not the case, unhealthy tendencies are rampant, the party organizations lose the faith of the masses and all work is difficult to launch. Therefore, from the aspect of rectifying unhealthy tendencies within the party, the "Guiding Principles" again constitute an important supplement to the party constitution. From now on, the "Guiding Principles" will certainly continue to play a positive and effective role in the rectification of party organizations and party work, and the strengthening and improvement of its leadership.

CSO: 4004/15

HOW SHOULD WE UNDERSTAND THE RISE OF THE THIRD WORLD BEING A MATTER OF PRIME IMPORTANCE OF OUR TIMES?

Beijing RED FLAG in Chinese No 23, 1 Dec 82 p 40

[Article by Li Shuqiao [2621 2885 2890]]

[Text] Since the end of World War II in the vast areas of Asia, Africa and Latin America, nearly 100 former colonial and semicolonial countries one by one have broken from the colonialist fetters of the imperialists and gained political independence. Together with countries that already had won their independence before and a number of other developing countries, these countries have formed a Third World. In the past these countries served as the "rear area" for the imperialists, but now they have become the principal force in fighting against imperialism, hegemonism and colonialism and are playing an increasingly great role in international affairs. This has greatly changed the features of the whole world.

The rise of the Third World has changed the balance of political forces in the world and ended world domination by imperialists and superpowers.

Ever since the emergence of colonialism and imperialism in the world, the resistance struggle of oppressed nations and people have never ceased. However, for quite a long time in the past, this resistance was carried out in an isolated and dispersed way. After World War I and the Russian October Revolution there was a new upsurge in the struggle of colonial and dependent countries' people for national independence. The victory of the antifascist force during World War II speeded up the revolutionization process in the world.

Through prolonged revolutionary struggle China, a country with about a quarter of the world's population, broke away from the world capitalist system and began to embark on a socialist route. This tremendously encouraged the liberation struggle of oppressed people and nations. A large number of Asian, African and Latin American countries won their independence during the high tide of the national liberation movement and the old colonialist system of the imperialists collapsed. This dealt a heavy blow to the rule of imperialism over the world and weakened its strength.

After gaining independence, Third World countries can exercise their state power and strengthen their unity and cooperation in fighting against imperialism, hegemonism and colonialism and, thus command more power to wage their struggles. Since World War II the imperialists have launched many localized aggressive wars, but they have suffered heavy losses in these wars in the face of joint resistance by the countries attacked and other Third World countries. This shows that the Third World countries already have become the main force in countering aggressive wars and safeguarding world peace.

For a long time the United Nations was manipulated by the major powers and did not reflect the interests of many medium and small countries. This began to change after large numbers of Third World countries became members. China's legitimate seat in the United Nations was restored in 1971 by an overwhelming majority vote. In 1974 the 6th special session was called by the General Assembly to discuss the problem of imperialist exploitation and plunder and ways to reform international economic relations. At the end of 1981 a man from the Third World was chosen secretary general of the United Nations. Imperialism, hegemony and expansionism have been condemned repeatedly in many UN meetings. All this shows that the role played by Third World countries in international affairs is increasing steadily. Since its birth, the Nonaligned Movement that has been joined by most Third World countries already has become an important force in world political life. These countries adhere to the principle of opposing imperialism, colonialism and hegemonism and of opposing imperialists--especially the superpowers--for the power politics of using their great strength to bully the weak, wantonly interfere in other countries' internal affairs and encroach on the interest of people of other countries. They adhere to the basic principles of independence and nonalliance and have played a positive role in international struggle. Many facts prove that since the achievement of independence by a series of former colonial and semicolonial countries and the rise of the Third World the era when imperialism, especially the superpowers, could dominate the world is gone forever.

Economically, the rise of the Third World has weakened imperialist control over world economy to a certain extent.

Since Third World countries gained political independence their national liberation struggle has developed further and delved deeply into the economic spheres. In order to fight against the exploitation, plunder and control of imperialists and the superpowers, break away from the fetters of old unequal and unreasonable international economic relations, develop their national economy and consolidate their political independence with economic independence, large numbers of Third World countries have taken an active part in the struggle to build a new international economic system. Latin American countries took the lead in opposing the superpowers' maritime hegemony and already have won the support of most countries in the world.

Facing long-term control and plunder of their primary resources by the imperialist powers, the Third World's oil-exporting and raw material producing countries have fought to exercise their rights over their own natural resources and the right to exercise their internal sovereignty. As a result they have safeguarded their national rights and interests and weakened the imperialists' world monopoly over raw materials. The daily increasing surplus funds of oil-exporting countries already have become a financial power in the world. This has weakened the imperialists' control of the international financial market. Some manufactured goods of Third World countries are breaking through layers of barricades and penetrating into international markets and presenting a challenge to the developed countries' prolonged monopoly over the world manufactured goods market.

From the above we can see that the rise of the Third World in the world arena is of great and far-reaching significance in both international politics and economy. We must recognize fully and evaluate this major event of international importance and stand firmly on the Third World's side in opposing imperialism, hegemonism and colonialism and in protecting world peace and promoting human progress.

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JEAN-PAUL SARTRE AND EXISTENTIALISM

Beijing RED FLAG in Chinese No 23, 1 Dec 82 pp 41-48

[Article by Liu Fongtong [0491 2397 2717]]

[Text] Jean-Paul Sartre (1905-1980), French existentialist philosopher, writer and social activist, was one of the most noted personages among contemporary Western thinkers. The influence of his thinking exceeded the confines of the French nation and spread to the entire Western world. Our country has also been affected to a certain extent. What kind of a man was this Sartre? And what kind of philosophy is his existentialism? How should we treat Sartre and his existentialism? This article proposes to offer some crude views on these problems.

I

Sartre was born of a family of the intelligentsia. In his middle school days, he intended to study literature but also began to show an interest in philosophy. The writings of contemporary Western noted philosophers in humanism, a school of antirationalism, such as Schopenhauer, Nietzsche, and Bergson, were the first to attract him into the realm of philosophy and had lasting effects on him. In 1924, Sartre entered the famous Ecole Normale Superieure of Paris and formally took up the study of philosophy. In 1929, he received the academic title of middle school teacher of philosophy. In 1933-1934 he took up further studies in philosophy in Berlin's Francis Academy where he did research work under Edmund Husserl, founder of phenomenology, a school of contemporary Western philosophy. He studied the writings of Soren Kierkegard, the vanguard of existentialism, and also the writings of the founders of existentialism in Germany, Martin Heidegger and Karl Jaspers. It was at that time that he was formally initiated into existentialism. In the book "Surmounting Oneself--A Basic Thought in Husserl's Phenomenology--Intentionism" which he wrote at that time he expostulated his basic thought on his existentialism. After the outbreak of World War II, he was conscripted into the armed forces. In 1940, he was captured by the German forces and was put in a concentration camp. In 1941, he was released and continued his teaching profession. For a time, he and his associates formed an antifascist organization, known as "Socialism and Freedom." In 1943, he published his book "Being and Nothingness." This book may be said to have laid the foundation for him to become the most prestigious representative of existentialism. Beginning in 1944, he resigned from the teaching profession and devoted his time solely to writing books. In 1946, he published the book "Existentialism Is a School of Humanitarianism." In 1960, he published his long treatise, "Critique of Dialectical Reason (Vol 1)." In addition, he turned out many influential literary articles such as the drama scripts "Flies" and "Intermission" and the fictions, "Wicked Heart," "Roads to Freedom," and so on. In these publications, he expressed in literary form the gloomy and difficult ideological contents of his philosophical writings. In this way, he linked together existential philosophy and literature and further expanded his ideological influence. Sartre's ideological viewpoints differed from each other at different periods. In his book "Critique of Dialectical Reason," he went so far as to advocate the "acceptance" of Marxism. He wanted to "replenish" and "renovate" Marxism with existentialism. In reality, he attempted to existentialize Marxism. In 1975, he published "Self Portrait at Seventy" which appeared in the form of a dialogue with a correspondent. In this book he reviewed and summed up his life experiences and his philosophical and literary thought, in which he made the admission that he was still a firm supporter of existentialism.

Among the contemporary thinkers, Sartre was a comparatively progressive element in the field of politics. He made some revelations concerning the capitalist system and leveled certain criticisms at it. He believed that "this society was immoral, and that it was set up not for the sake of mankind but for the sake of profits." He demanded that this irrational system be reformed. During World War II, he took part in the antifascist struggles and made use of his writings to encourage people also to take part. In the 1950's-1960's, he strongly protested against the invasion of Korea and Indochina by the United States and also the French war on Algeria. He vigorously condemned hegemonism. He expressed his sympathy and support for the Chinese people's revolutionary cause. Throughout his life, he did much work for world peace and mankind's progressive enterprises. He was unlike other Western thinkers who were only after fame and money. He was relatively straightforward. Nevertheless, Sartre was not a thinker of the proletariat, but an anarchist. After the May riots in France in 1968, he said to people: "If people will only read my whole writings, they will understand that deep in myself I have not changed and that from beginning to end I am an anarchist." ("Self Portrait at Seventy")

Sartre's existentialism reflects on one side the spiritual condition of the vast petty bourgeoisie and the intelligentsia in contemporary Western society. In the years of his activities, Western capitalist society was full of contradictions with dangers lurking everywhere. The two world wars which broke out in succession in the first half of the 20th century caused unprecedented havoc to the material civilization and spiritual civilization of many countries in Europe. They brought innumerable disasters to the vast masses of people (not only the proletariat but also the vast petty bourgeoisie and the intelligentsia and even a portion of the capitalist middle class) and seriously threatened their liberty, democracy and even their right of existence. This state of affairs was especially marked in France. During World War II, France was under the domination of German fascism. All that had been taken as sacred tokens such as "freedom, equality and universal love" and all the traditional views on morality became the objects of French mockery. After the war, as in other Western countries, social production in France gradually recovered and developed, great progress was made in science and technology, and the standard of living of the people was also improved. Nevertheless, the various kinds of inherent contradictions and dangers of capitalism were not removed. Besides the proletariat, the vast masses of the petty bourgeoisie and the intelligentsia themselves were hard pressed both materially and spiritually. They had the feeling that the world they lived in was a hostile, gloomy, turbulent and crazy world. They felt that they had nothing to depend upon and that other people and society seemed to be against them. Consequently, they felt depressed, lonely and even hopeless. They felt dissatisfied with reality, sought to resist, and hoped to regain man's freedom and dignity, but they were unable to find a way out. This type of ideology and feelings of the petty bourgeoisie and the intelligentsia in contemporary Western societies formed the basic contents of what Sartre discussed and described in his philosophical writings and literary creations. They were also the basic facts of society which he mentioned in his writings. Precisely because of this, Sartre's ideology elicited from among these circles a strong feeling of sympathetic response.

II

Like other existentialists, Sartre attempted in man's name to oppose all kinds of philosophy which were in search of the world's basis and nature. In his view, these philosophies (be they materialist or idealist) had a common defect in that even before they had acquired a clear understanding of man's existence and nature they proceeded to probe into the world's existence and nature. Materialism chose the outside material world as the starting point whereas idealism used the spiritual nature of certain abstraction as the starting point. In their interpretation, man became some kind of an accessory or appendage; man's special features were ignored, his status was downgraded, and his existence was forgotten. In Sartre's opinion, this kind of philosophy should be abandoned and replaced by a new philosophy, that is to say, existentialism. He announced that existentialism recalled the forgotten man and considered that man's existence should be regarded as the most basic existence and man should be interpreted with man's own existence as the starting point, thus to reveal to the whole world. As he saw it, the problem of man constituted the basic problem of philosophy and philosophy was the "study of man." Sartre said: "Existentialism is a doctrine which aims at making mankind's living a possibility." He was of the opinion that "each truth and each action must embrace therein mankind's background and mankind's subjectiveness." Existentialism "is the only kind of theory which provides man with dignity." ("Existentialism Is a School of Humanitarianism")

Since Sartre considered the problem of man as the basic problem of the philosophy of existentialism, it may be asked how he understood or interpreted man. He and the other existentialists summed up the real existence of man as the existence of the solitary man. He believed that each and every person had a unique and special feature that was different from others. This special feature formed man's individuality and nature and formed man's real existence. The real existence of this category of people could only be exhibited when the individual person was separated from other people and from society, that is to say, when he was a solitary being. Naturally, Sartre did not refute man's existence in society. Rather, he admitted that each individual must live in a definite "environment" and must enter into various kinds of relationships with other persons and society. But he believed that when people entered into relationship with other people and society their existence was objective and they were at the mercy of other people and society. They would lose their independent character, unable to keep the initiative in their own hands. In this way, man would be degraded to the lowly status of mere articles or things. This was not man's real existence. To study man with this type of existence as the starting point would not be able to reveal man's individuality and nature. And Sartre took the existence of this type of absolutely solitary individual as precisely the starting point for his entire structure of philosophy. In reality, man at any time cannot be segregated from society and exist solitarily. Man's individuality and nature are closely related to man's social associations of various sorts and are formed in certain definite social associations. Marx pointed out that man's nature is the "sum total of all social relations." ("Selected Works of Marx and Engels," Vol 1, p 18) Only through studying man's social relations can we really understand man's individuality and nature and understand man's true and real existence. In taking the existence of the solitary individual as the starting point of his "study of man," Sartre, from the very beginning, isolated himself from reality and from truth.

Just what kind of existence is this existence of the solitary individual which Sartre took as the starting point in his "study of man"? To put it in simple terms, this kind of existence is the individual's consciousness, that is to say, the individual's pure and absolute subjectivity. Sartre did not refute man's material existence, but he believed that this type of existence was not man's real existence and also not the basis of man's consciousness. Hence, he thought it could not be taken as the starting point for philosophy nor could it be included inside the scope of studies in philosophy. The individual's existence which philosophy should study and take as the starting point was only the individual's consciousness and subjectivity.

Not only that! Consciousness which Sartre took as the real existence of the individual not only is not the cognition of what materialism calls as material things and their reflection but also not what idealism calls as spiritual substance of derivative materials. In his conception, what materialism and idealism term as consciousness belonged to the realm of the theory of knowledge and had as their logical premise the distinction between the subject and object of knowledge, and may be called dualism. But the consciousness which he took as the starting point of philosophy was prior to the knowledge activities, had no logical premise, and did not include the distinction between subject and object, that is to say, this type of consciousness itself had no content of existence, being only pure conscious activity, or, pure subjectivity. What is this pure conscious activity, or pure subjectivity? According to Sartre, it is directionalism, or intentionalism, of consciousness. When consciousness surpasses itself to reach the object, it directly "reveals" or "shows" the object, without the aid of any medium. Sartre believed that what he said as this pure conscious activity or pure subjectivity was an extremely outstanding discovery, that it directly merged together subject and object, and that it banished not only materialism but also idealism and had them unified. However, people can readily see that Sartre's pure consciousness or pure subjectivity actually banished only materialism and not idealism and that what he stood for and propagated was intuitionism of a kind of nonrationalism.

After "discovering" this starting point of pure subjectivity or pure conscious activity, Sartre proceeded to base on it to introduce two radically different areas of existence. He termed one "existence-in-itself" or "self-being," and the other "self-made, or self-doing, existence."

The so-called "existence-in-itself" refers to the outside world. Outwardly, Sartre did not negate the existence of the outside world, but rather admitted that the outside world, even before its discovery by people, had already existed "in itself." He even criticized the views of Barclay and others which summed up the outside world as man's sense of feeling. But what Sartre called the outside world was entirely different from what proponents of materialism called the outside world. Sartre believed that the outside world existed in a pure and absolute manner and itself carried no significance, that it was devoid of causality and inevitability, that it lacked initiative, that it was in a confused, accidental and fantastic state, that it has no progress, forever being "oneself equivalent to oneself," that it was opaque, dark and gloomy and that people were unable to understand it either through feeling or rational thinking. In short, as Sartre saw it, it was a world that defied description. However, Sartre felt that when the direction of man's activity of pure consciousness was set toward the outside world, the outside world would become the outside object of the target of consciousness and would be at once imbued with nature and significance. In other words, the outside world could, insofar as man is concerned, possess essence and significance when illuminated by pure consciousness. The essence and significance of things were not their inherent qualities. On the contrary, they were endowed by man and were not objective but subjective.

The so-called "self-made existence" denotes man's self-existence. In Sartre's view, when man's activity of pure consciousness is directed at man himself, man's self-existence is discovered and from this is generated self-conscious activity. He called this self-conscious activity "self-made existence." Different from "in-itself," "self-made" itself has an initiative and active nature. It continuously negates itself and creates itself. "'Self-made' is always what it is not today, and is not what it is today." ("Being and Nothingness")

Sartre believed that although "self-being" and "self-made" basically differed from each other, they could and must be linked together. Without "self-being," "self-doing" or "self-made" becomes something abstract and cannot exist just as color without coloring and music without high or low tones cannot exist. And "self-being" is revealed and imbued with significance or meaning by the consciousness of the "self-made" man. Without "self-made," "self-being" becomes something without any significance. The two are unified by means of the power of the "self-made." Sartre wrote: "'Self-made' and 'self-being' are linked together by a common medium. The medium is none other than 'self-made' itself." ("Being and Nothingness")

Thus, it can be seen that in reality Sartre wanted to take "self-made," that is, consciousness, as the basis or foundation of the whole world and also the determinant. Although Sartre intended to draw a line of demarcation between himself and the glaringly objective idealists, his viewpoint of unifying the world with man's conscious activities as the basis and the center precisely coincided with the viewpoint of subjective idealism.

Sartre took the discovery of the real existence of man himself as the primary task of philosophy. Just as stated before, he believed that his task was not what man's knowledge could cope with and that resort must be taken to activities of pure consciousness. These activities of pure consciousness were, in reality, psychological experiences of a nonrational nature--in fact, dark and gloomy psychological experiences of a nonrational nature. In this connection, his viewpoint followed the same line as that of Martin Heidegger and other early proponents of existentialism. At one time, Heidegger openly expressed the view that mankind could truly discover their own existence only in such mental circumstances as depression, alarm, or when facing death. Although Sartre appeared to have tried to do away with such dark and gloomy coloring and occasionally had gone so far as to make others think that he was advocating optimism, yet he did not go out of the bounds of the pessimistic and depressed basic ideology of Heidegger and other early proponents of existentialism. He likewise believed that mankind could discover their own true existence only in what he termed as "unfortunate consciousness" such as depression, solitude and despair. He said: "Existence will reveal itself to us through a kind of direct contact such as tiredness, lack of interest, and so forth." ("Being and Nothingness") Sartre took depression, solitude, and despair as man's inheritance and man's basic sentiments. Hence, as he saw it, life is forever in a state of perplexity, confusion and alarm. Given such sentiments to start with, he frequently could see only the world's ugly things and could not see anything good or beautiful. He could see only darkness and not light. Up to a time shortly before his death, Sartre was still saying: "At any rate, the world, as we see it, is wicked and hopeless." ("Hope, Now....")

Summing up the above, the basis and logical premise of Sartre's existential philosophy as well as the starting point for his solution of all problems in philosophy were as follows: That the basic problem of philosophy was man's problem; that man's existence was the existence of the solitary individual; and that the existence of this type of individual was the nonrational activity of pure consciousness, in fact, it was the dark and gloomy nonrational activity of pure consciousness. The subjective idealism and antirationalism of this type of philosophy are especially conspicuous.

Although Sartre repeatedly declared his opposition to idealism, yet, as a matter of fact, he never ventured out of the realm of idealism. At the same time, his philosophy was basically different from what he had announced, that it would help mankind to find a correct road to the restoration of man's freedom and dignity. On the contrary, it could only make man lose his reason and his confidence and entrap him in a mess of confusion and despair. After a big social disturbance and uproar, this type of philosophy can frequently bring satisfaction to a certain degree to people without any ideology and in a state of mental disillusionment. Hence, to a certain degree, Sartre's existentialism is a kind of troubled and hopeless philosophy and at the same time a philosophy which distorts man's nature and lowers man's dignity.

III

The most important constituent parts of the existentialism which Sartre built, with man's subjective character, that is to say, activity of pure consciousness, as the starting point, are his theory on man's self-accomplishments and freedom.

In Sartre's opinion, in the very beginning man existed in a purely subjective character, with nothingness. The various concrete, special and regulated features were what man himself subsequently created in accordance with his own wishes. "First, man came into being, revealed himself, appeared on the scene and only subsequently introduced himself.... In the beginning, man had nothingness; only subsequently man wanted to become a certain thing and made himself in accordance with his own wishes." ("Existentialism Is a School of Humanitarianism") Sartre thus summed up this kind of thought as "existence precedes essence." "Existence" here meant that man, in a purely subjective character, "revealed himself" and "appeared on the scene." The so-called "essence" referred to man's concrete special qualities, of a regulated nature.

Sartre believed that different from things in general man was a continuously self-planning, self-scheming, self-selecting and self-making being in existence. The principal criterion of whether a man truly existed or not was not whether or not he was still living but whether or not he was in the process of continuously planning, scheming, selecting and creating for himself. "After all, man is only something of his own creation. This is the first doctrine of existentialism." ("Existentialism Is a School of Humanitarianism") According to this viewpoint, aside of himself man has nothing else to rely upon; aside of believing in his own planning, scheming and selection, he has nothing else to believe in; and aside of his own decisions, he does not need to obey any other legislation. In other words, what kind of man he becomes is not determined by natural physical endowment, nor by any other outside power, but is entirely the result of his own making and of his own planning and choice. "A coward is of his own making; while a hero is likewise of his own making." ("Existentialism Is a School of Humanitarianism") In short, man is of his own regulation and of his own making.

Sartre termed as freedom these actions of planning, scheming and choosing according to one's own wishes. He called this freedom man's essence and the standard of man's thinking and conduct. He said: "If existence actually precedes essence, then there is no way of using a fixed and 'ready-made' human nature to explain man's actions. In other words, there is no determinism. Man is free and man is freedom." ("Existentialism Is a School of Humanitarianism") He believed that man's real existence was his freedom and that freedom was not man's ordinary attribute but rather the attribute of his essence. "Man forever is completely free, otherwise he does not exist." ("Being and Nothingness")

Sartre believed that freedom was entirely out of the control of objective things and of other power exterior to man himself and that it would not change in accordance with the failure or success of man's actions. The deeper man fell into the chasm of adverse circumstances and the greater his worries, solitude and despair, the greater would be his freedom. This was because under such circumstances man would realize all the more his true existence and an even greater need to do his own choosing. In 1944, Sartre contributed an article to the LITERARY BULLETIN OF FRANCE in which he wrote: "To be in a state of complete solitude and to bear full responsibility by oneself--does this not reveal the nature of our freedom?" Naturally, he could not refute that exterior conditions might curb this or that concrete type of mankind's freedom, but he believed that freedom itself could not be restricted. In other words, Sartre believed that while exterior conditions could restrict freedom of the individual's body they could not restrict the freedom of the individual's thought. Man's freedom of thought was absolute. Whatever conditions might prevail, man could entirely of himself make his choice. A serf was devoid of his master's status and could not act freely like his master, but he could freely choose a method of running away in defiance of his master. Even though he did not choose to run away, he still had the freedom of choice, that is to say, he chose not to make any choice. "Freedom is the freedom of choice, and not the freedom of not making any choice. In fact, not choosing is a choice of choosing not to make any choice." ("Being and Nothingness") It can thus be seen that what Sartre advocated as the freedom of the individual was supernatural, superhistorical and surpassing all realistic conditions, and entirely something of a kind of subjective imagination.

Sartre said that this type of freedom banished the biased ideas of mechanism, fatalism, and other kinds of arbitrarism. Since freedom was acknowledged as the attribute of man's essence, then man should be free from the control of God or any other absolute authority outside himself, and be in a position to entirely reject and resist the oppression by outside forces on himself. He can think and act in accordance with only his own wishes and plan and determine his own future. "Once freedom explodes its power in man's soul, even God is helpless before it." ("Flies") At the time of the occupation of France by the German fascists, Sartre, in his philosophical and literary writings, actually utilized this viewpoint to encourage the French people not to fear violence or danger but to break through fascist domination and fight for their own liberty. At that time, this did produce a certain actual effect. Indeed, under the conditions of the freedom of the masses of people being suppressed by reactionary force, this kind of theorizing of Sartre's may perform a certain role of making the masses of people plunge into **resistance** for the sake of their freedom. However, if under certain special historical conditions, this role is unduly exaggerated (and Sartre himself did unlimitedly exaggerate this role), then it may lead to blunders. On the whole, it may be said that Sartre's view of freedom was a kind of theory of idealism and its role was pessimistic and dangerous.

1. Sartre's view of freedom exaggerated the relative freedom chosen by mankind under certain conditions into unconditional and absolute freedom. It negated fatalism and rejected inevitability. In his view, admission of inevitability and knowledge of inevitability carried the implication of man becoming the slave of inevitability and the curbing of his freedom. In reality, refutation of inevitability cannot obtain real freedom. As Engels pointed out: "Freedom does not mean being independent by shaking off in imagination natural laws. Rather, it means knowing these laws and following up with making, in a planned manner, natural laws serve a definite purpose.... Hence, the freedom of will is only that kind of power which can make use of the knowledge of things to formulate decisions." ("Selected Works of Marx and Engels," Vol 3, pp 153-154) Isolated from the knowledge of objective inevitability, man's actions will invariably be of a blind nature and, under certain conditions, cause man to lose his confidence, become pessimistic and despondent, or, under certain other conditions, to risk all and make a reckless move. Under neither of the above conditions can there be man's freedom.

2. Sartre's view of freedom is a theory of extreme individualism. As mentioned above, he believed that man's real existence could only be his solitary individual existence when segregated from other people and from society. In the same manner, man's liberty could be realized only under conditions of his segregation from other people and society. Other people and society forever imposed certain restrictions on the individual's freedom. Maintaining an individual's freedom would inevitably exclude other people's freedom and even their existence. He said: "Each person has absolute freedom only when opposing other people." ("Being and Nothingness") In many of his literary articles, Sartre described man-to-man relations as hostile relations between them. In his celebrated drama script "No Exit" he even came to the conclusion that "other people represented hell." This kind of description of Sartre's, objectively reflected the actual relations of fighting with each other and deceiving each other amongst people of a capitalist society. While Sartre frequently treated and exposed with disdain relations of this kind, in the last analysis his view of the absolute freedom of the individual performed the role of expounding and proving as well as maintaining this kind of relations. According to this view of freedom of Sartre's, outside the individual's freedom of choice, there does not exist any standard of right or wrong, good or bad. Hence, the capitalist class doing to the proletariat acts of exploitation and oppression and all other fantastic and reactionary acts, may be said to be of free choice and therefore rational. Presumably, this could not have been Sartre's original meaning, but there is little doubt that this is a logical conclusion derived from his viewpoint.

What must be especially pointed out is that this view of Sartre's on absolute freedom which gives a lofty position to the self and places the self in the center provides a theoretical background for extreme individualism and anarchism. This kind of viewpoint, even under capitalist conditions, has a serious passive role and may weaken the struggles for liberation of the proletariat and the working people under a unified revolutionary program and organization discipline. Under socialist conditions, this kind of viewpoint is a corrosive which erodes people's acceptance of correct ideological guidance and impedes mankind's efforts to foster the communist spirit of individual interest obeying collective interest and individual freedom being subservient to the needs of the collective and the people. As for Sartre's views on freedom, we must seriously and realistically analyze and criticize them, so as to banish their evil effects. If not, and if it is allowed to spread freely, then the socialist cause will be endangered.

IV

For a long period of time, in foreign countries, certain scholars' evaluations of Sartre and his existentialism differed greatly one from another. This situation is likewise reflected in our own country. Under the influence of "leftist" thought, in the past our country's theorists frequently made a low evaluation of Western theorists like Sartre and his like. They even went so far as to negate them altogether. In more recent years, certain comrades went to the other extreme and gave Sartre too high an evaluation. Sartre's theory concerning man's self-planning, self-making and freedom of choice has been mentioned with relish by people and even approbated as the road to the growth of talented people or the guidance of life. This obviously does not conform with the principles and standard of Marxism. In order to make a correct evaluation of Sartre and his existentialism, the following points are worthy of our attention:

1. We must insist on the use of the viewpoints of historical materialism to analyze the class attributes of Sartre's existentialism and to expose its fundamental difference from the world outlook of the proletariat.

As a philosophical trend of thought, what existentialism reflects is the spiritual condition of people who are perplexed and alarmed because of being surrounded by the various kinds of contradictions and dangers of modern capitalism, unable to find a way out. At the various levels of the capitalist class, representatives of existentialism may be found, but between them vast differences exist. Compared with the existentialism of Heidegger, founder of existentialism in Germany, Sartre's existentialism does represent the trend of thought of the comparatively lower levels of the capitalist society. Of this we should certainly take note. But we must also note that after all, Sartre's existentialism belongs to the ideological system of the capitalist class and that its basic theory and viewpoints are more or less similar to those of Heidegger and his like. Sartre claimed to have belonged to the petit bourgeoisie and this was probably true. However, we must not forget that the consciousness and pattern of the petit bourgeoisie in a capitalist society frequently suffer from the influences of the capitalist class who are in the ruling position. Hence, we must, from the point of class attribute, draw a demarcation line between Marxism and Sartre's existentialism. We cannot take Sartre's existentialism as a progressive type of consciousness and pattern; nor can we take it as belonging to the proletariat.

2. We must correctly note the difference and liaison between Sartre's political attitude and his philosophical stand.

Sartre's philosophical viewpoints and his political attitude were closely related. In the last analysis, they were determined and controlled by his class position. Indeed, we must not overlook this point. However, we should also note that between Sartre's viewpoints in philosophy and his attitude in politics there was a little contradiction. His existentialism was a kind of idealism in philosophy and we must realistically give it a scientific assessment and evaluation. In the field of politics, we find many progressive expressions, and this we must also confirm. If based on the hard fact that his philosophy of existentialism was a sort of philosophy of idealism we deduce that he was a reactionary theorist and a speaker for capitalism, this would not be correct. Nevertheless, if we fail to note the immense effect his thought in philosophy had on his political attitude, if we overestimate his progressive role, or if we even use it to prove the rationality of his philosophy, then we would be committing an even greater mistake.

Sartre was a person active in vastly different fields such as philosophy, literature, social sciences and politics. His thinking was rather complex and even contradictory. In his writings, many of his discussions and concepts were confusing and not at all clear. Indeed, at different times his viewpoints suffered frequent changes. However, subjective idealism represented the basic viewpoint of his existentialism. This is a point which we must bear in mind if we want to make a correct evaluation of Sartre and his existentialism. If we just look at Sartre at only a certain period, or take note of what he superficially said of certain things but neglect the essence of his thought, or take his words too literally and then come to a conclusion from them, then we shall be far from the truth. Some people made too high an assessment of Sartre's philosophy and even propagated it. This was frequently due to their having a one-sided and superficial understanding of Sartre's philosophy. For example, Sartre's view that existence precedes essence has a materialist element, but some people place it on a par with materialism propounding that matter comes first. In so doing, these people are fundamentally contradicting Sartre's original meaning. What Sartre meant by existence referred to the individual's subjectivity and had an entirely opposite meaning to existence in materialism.

In a word, concerning the category of such Western thinkers as Sartre and the school of the Western philosophy of existentialism, we cannot adopt a simple negative attitude or one of blind worship. Marxism-Leninism-Mao Zedong Thought are sharp tools for the analysis and study of all problems. Hence, in studying and assessing Sartre and his existentialism, we must take Marxism-Leninism-Mao Zedong Thought as guidance. Only in so doing can we make a correct evaluation of existentialism and other Western schools of thought and can we effectively resist their passive and corrosive effects on mankind's thought. At the same time, only in this way can we advantageously insist on and develop Marxism-Leninism-Mao Zedong Thought. On such a problem, we should never be ambiguous or uncertain in our stand.

CSO: 4004/15

WELL DONE IN TAKING THE LEAD IN THIS RESPECT!

Beijing RED FLAG in Chinese No 23, 1 Dec 82 inside back cover

[Article by Shi Zhonglai [0670 0022 0171]]

[Text] In the first half of last year, the attendance rate of coal miners throughout the country was low, their work discipline was lax and production plans were not fulfilled as expected. This problem occurs in the workers' contingent. But the fundamental reason was that some cadres failed to exert themselves and failed to correct their unhealthy party spirit. After becoming familiar with the crux of the problem, in the second half of last year, the Ministry of Coal Industry began to rectify the party style and paid attention to cadres going deep among the basic units and working in workshops for a specified period of time. The ministry also persuaded the excavation workers who had come up from the mines because they did not like the work in the mines to return to their position in the mines. By such means their work discipline was strengthened, and remarkable results were achieved.

One of the reasons why production in coal mines under unified distribution could not increase was that a large number of excavation workers had come up from the mines and were not willing to go back into the mines. Those who should not come up from the mines had come up. Why was it so difficult to persuade them to go back to their position in the mines? The situation had much to do with some cadres whose sons and daughters were excavation workers. In persuading the excavation workers who had come up from the mines to go back to their position in the mines, these cadres were the first to be affected. The crux for solving this problem lay in whether those cadres should let their own sons and daughters and relatives work in the mines or whether they should persuade their own sons and daughters and relatives to take the lead in going down into the mines. Under such circumstances, the majority of leading cadres could withstand the test. By overcoming all kinds of pressures, they resolutely persuaded their sons and daughters and relatives to go back to work in the mines, regardless of the resulting rows with their spouse, sons or daughters-in-law or relatives. By the end of June, 994 sons and daughters of leading cadres at headquarter and section levels of coal mines under unified distribution had come back to work in the mines. The exemplary act of these leading cadres was praised by the staff and workers. It brought forward the development of work in this respect. Some people who had thought of keeping away until the event was over said: "It seems we must really act." With these words, they went back to work in the mines. This shows that doing ideological work well, correcting the party style and the exemplary role of leading cadres have important bearings on a truth of universal significance.

Our party is a ruling party. The party's leading cadres at all levels represent the interests of the party and people and the work on various fronts. The ideology, work style and work attitude of leading cadres at all levels are not merely personal matters. They represent the image of the party and have important bearings on the party's work in various fields, on the relationship between the party and the masses and on bringing into play the masses' initiative for building socialism. Comrade Deng Xiaoping said: "The party is the example of the whole society, and the party's leading comrades at all levels are the examples of the whole party." The role of examples is a silent order. It can become a great material power. If leading cadres at all levels can have strong party spirit and excellent work style; if they can take the lead in doing the things they advocate; if they can absolutely not associate with what they require others not to do; if they can strictly adhere to discipline and be as good as their words, the people will be sincerely convinced. If their work style is bad and their deeds do not match their words, the people will not have ease of mind. As a result, their initiative will not be brought into play, the party's principles and policies will not be implemented and it will be difficult to do our work well.

In our socialist enterprises, to bring into play the initiative of the workers and to change the situation in which discipline is lax, besides establishing a perfect production responsibility system, correctly implementing the principle of to each according to one's work and strengthening management and the sense of organization and discipline, it is important to constantly readjust and improve the relationship between men in light of the actual conditions of enterprises. This is a most important content of ideological and political work. Without man, production cannot be carried out, and men have to make constant contact with each other in production. Here the relationship between men will inevitably emerge. In socialist enterprises, the relationship between men should be a new relationship of the socialist and comradely type. The relationship between leaders and those being led, between workers and management personnel and technicians and between workers themselves is an equal relationship between comrades. They should care for each other, love each other, respect each other and discuss problems with each other. Only in this way can they do their work well. There is only the division of work between them. There is no distinction between the elite and the lowly. If there is any distinction, it should be that Communist Party members and leading cadres at all levels should set examples for others, lead the masses in all kinds of work, care for the masses' sufferings and, under possible conditions, do their best to help solve the masses' difficulties. They should not in the least have any special privilege. So long as the party's leading cadres at all levels can act according to the requirements of the party constitution, be strict on themselves, play an exemplary leading role in work and strengthen ideological and political work, the socialist consciousness of the masses can be constantly raised. In this way, the masses can have ease of mind and go all out for the four modernizations.

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China Report

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CONTENTS

Comrade Mao Zedong's Letters and Comments Concerning the Question of Investigation and Studies (April-November 1961) (pp 2-3)............ 1

Strive To Create a New Situation in China's Science and Technology Work (pp 4-10)
(Nie Rongzhen).. 4

Educate the Party Members in the New Party Constitution, Make Ideological Preparations for Party Rectification (pp 11-16, 24)
(Song Renqiong).. 17

Safeguard the Constitution's Dignity, Ensure Its Enforcement (pp 17-18, 33)
(Editorial).. 30

A Plan To Launch the National Economy on a Path of Healthy Development--On the Characteristics of the Sixth 5-Year Plan (pp 19-24)
(Fang Weizhong).. 34

Comrade Sun Yefang's Contributions to Economic Theories (pp 25-30)
(He Jianzhang, Zhang Zhuoyuan).................................... 44

They Are the Most Lovable People (pp 31-33)
(Commentator).. 54

Making Serious Investigations and Studies Is the Guiding Principle for the Thoughts and Actions of All Party Cadres (pp 34-36)
(Shi Youxin).. 59

[III - CC - 75]

What Counts Most Is To Solve Ideological, Understanding Problems of Leading Backbones (pp 37-39)
(Commentator) 65

A Good Example in Using Materialist Dialectics To Sum Up Experience and Guide Construction (pp 38-42)
(Zhang Jing) 68

What Are the Differences and Relations Between the Communist System, Ideology and Movement? (p 43)
(Lu Chen) 76

'Ignore the Strong Points and Bring Into Play the Weak Ones' and 'Develop the Strong Points To Offset the Weak Ones' (inside back cover)
(Jiang Xia) 79

COMRADE MAO ZEDONG'S LETTERS AND COMMENTS CONCERNING THE QUESTION OF INVESTIGATION AND STUDIES (APRIL-NOVEMBER 1961)

Beijing RED FLAG in Chinese No 24, 16 Dec 82 pp 2-3

[Text] A Letter to Comrade Deng Xiaoping (25 April 1961)

Comrade Xiaoping:

Please draft a notice for the convocation of a CPC Central Committee work conference and notify the responsible comrades of all the bureaus of the CPC Central Committee, all provinces, municipalities and regions to arrive at Beijing on 15 May. The members of the drafting committee of the regulations of work of the rural people's commune (refer to the original sample of Guangzhou for the list of members) to arrive at Beijing on 5 May. The tasks of the current conference are to complete the unfinished work left over by the Guangzhou conference, that is, to collect the opinions of the cadres and masses, revise the 60 points of work regulations and continue to rectify the 5 kinds of unhealthy tendencies. The problem of industry and urban rectification will not be discussed or it may be discussed briefly at the end of the conference. We leave this problem to be discussed at the August conference. For this purpose, all comrades who are to attend the conference must use this period of time to conduct focused investigations on certain key problems in the rural areas (such as the problems of canteens, grain, supply, private plots of hilly land, classified management of mountains and forests, farm cattle, the problem of whether production brigades or production teams should manage farm implements, the overall rectification of counties, communes and brigades of the first and second categories and the resolute returning of unlawfully taken things, opposing the idea of bestowing land as a favor, firmly taking the mass line, consulting the masses, energetically encouraging the practice of conducting investigation and study, restoring the handicraft industry and resuming the supply and marketing cooperatives). It is essential to spend 10 to 15 days making investigations and seeking truth from the masses, so that we can thoroughly complete the above-mentioned tasks at the May conference.

Please find Comrade Tian Jiaying to draft this notice with you. We will talk it over this evening and dispatch it by telegram tomorrow. With best wishes!

Mao Zedong
9 a.m., 25 April

A Letter to Comrade Li Jingquan, c/o Comrade Chen Zhenren (6 May 1961)*

Comrade Jingquan of Sichuan CPC Committee, c/o Comrade Chen Zhenren of
Jianyang Pingquan Commune:

I am very happy to have received Comrade Chen Zhenren's letter of 1 May. It will be quite valuable to go to Jianyang once more to conduct an investigation for a week or better 2 weeks. Comrade Jingquan, why didn't you write to me? I was longing for your letter. Did you make any investigation? The CPC Central Committee made a list of investigation items. This was sent to you on 25 April. A further notice was sent on 4 May to postpone the conference to 20 May, so that you could have ample opportunity to conduct investigations and studies and have a thorough understanding of those problems. We hope that the Beijing conference will achieve better results than the Guangzhou conference. In addition, I ask you to do me one more favor: Within these 15 days, I hope the first party secretaries of all the bureaus of the CPC Central Committee, all provinces, municipalities and regions will conduct conscientious investigations and studies with great efforts. You can write to me at any time, it can be informal and do not bother about the handwriting. I expect to receive a letter from you within this half month. If you are so kind as to write to me, I will surely reply.

This letter should also be presented to the CPC Central Committee.

Mao Zedong
Shanghai, 6 May 1961

Comments on Transmitting Comrade Zhang Pinghua's Letter (14 May 1961)

This letter is to be transmitted to the party committees of all the bureaus of the CPC Central Committee, all provinces, municipalities and regions for reference. Comrade Zhang Pinghua, your letter can be transmitted throughout Hunan and it may well be adopted by the party committees of all prefectures, municipalities, counties and communes. It is imperative to firmly take the mass line. It is also essential to consult and decide all matters with the masses and then formulate policies for implementation. It is forbidden for the party committees at various levels not to make any investigations and studies. It is absolutely forbidden for a minority of people in the party committees not to make investigations or consult with the masses, but make the so-called policies in offices that are subjective and harmful to the people.

Mao Zedong
Tianjin, 14 May 1961

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*This letter was also sent to the first secretaries of party committees of all the bureaus of the CPC Central Committee, all provinces, municipalities and regions.

Comments for the CPC Central Committee in Transmitting Comrade Deng Zihui's Investigation Report (23 November 1961)

Party committees of all the bureaus of the CPC Central Committee, all provinces, municipalities and regions:

Comrade Deng Zihui's report is well made. We present it to you for reference. This document should also be transmitted to the party committees at prefectural, county and commune levels for reference, because at present, all localities are popularly making experiments. It is the soul of Marxism to conduct conscientious investigation and study and make a concrete analysis of specific problems, rather than making abstract and subjective analyses. We suggest that before 20 December, the first party secretaries of all provinces lead certain numbers of work teams and go down to villages to conduct investigations and studies for 10 days or so by adopting the methods of Comrade Deng Zihui.

The CPC Central Committee
23 November 1961

CSO: 4004/17

STRIVE TO CREATE A NEW SITUATION IN CHINA'S SCIENCE AND TECHNOLOGY WORK

Beijing RED FLAG in Chinese No 24, 16 Dec 82 pp 4-10

[Article by Nie Rongzhen [5119 2837 5271]]

> [Text] Editor's note: On 25 November, Comrade Nie Rongzhen gave an interview to Comrade Xiong Fu, chief editor of this journal. He made an important statement on the issue of striving to create a new situation in our country's science and technology work. In his talk, Comrade Nie Rongzhen mentioned the major experiences that he gained during the period when he was in charge of science and technology work, particularly stressing the party's historical experience on the intellectual problem and the problems we should pay attention to at present in implementing our intellectual policies. He points out that we should teach our broad ranks of cadres and masses to understand the position and role of the intellectuals in socialist modernization, develop a new custom of the whole society respecting knowledge, science and intellectuals and strive to form a friendly alliance of workers, peasants and intellectuals. His talk is of great significance in helping all our party members to heighten their awareness and unify their understanding on the problem related to the conscientious implementation of the party's policy on science and technology work and on intellectuals. Here are his remarks.

Ever since the 12th party congress, the initiative of our country's scientists and broad ranks of cadres on the scientific and technical front has been very high. They all hope that our country's science and technology work develops quickly. I can understand this mood. It has been a long time since I left my post of responsibility for science and technology work, but I am still concerned with and will support this work with all my strength. People are all very anxious and so am I.

In my opinion, the present situation is characterized by the fact that in order to fulfill the plan for the development of the coming 20 years, people throughout the country wish the science and technology work to develop more quickly. Recently, in one of his talks, Comrade Deng Xiaoping put forward the problem of organizing science and technology ranks to tackle major technical problems hurdles, regarding it as a matter of first priority in carrying out the 20-year development plan. It is very clear that developing the four modernizations, making our economy prosper, building up the two civilizations and achieving the magnificent goal of quadrupling all depends on progress in developing science and technology. At present, the key to our modernization lies in satisfactorily developing our science and technology work and giving full play to the role of intellectuals in this field.

Take agriculture for example. We are faced with quite a large number of agricultural scientific and technical problems. How can we modernize the whole country, if we cannot solve the problems related to agriculture? The modernization of agriculture can never be divorced from science and technology. The first character of the "eight-character constitution" for agriculture is soil. Soil constitutes the foundation of agricultural production. China is so vast that the soil in its territory differs widely in its composition, physical, chemical and ecological nature and fertility. In order to develop diversified undertakings that are suited to the local conditions, we must do a large amount of work to investigate the soil conditions in a widespread manner. It will take an even longer period of time to improve our soil. In this respect, we need the joint efforts of the specialists of various fields. In the past, excessive lumbering, the creation of "Dazhai land" and the practice of reclaiming land from lake areas gave rise to serious soil erosion and undermined the ecological equilibrium of nature. We should put to an end forever these foolish practices that go against the objective law. The second feature is water. The establishment of irrigation systems needs the joint efforts of the specialists in water conservation, geology and other fields. In this respect, there is also the problem of taking the local conditions into account. In the north where there is little rainfall, we should not blindly develop irrigated land. Excessive use of underground water in the suburban areas will bring about serious results and may even cause the land to subside. There are also the problems related to pesticide and fertilizers. Some kinds of pesticide seriously pollute the environment and are no longer used abroad, but we continue to use them. We should pay greater attention to using biological methods to overcome pests. The excessive use of fertilizer may destroy the organic composition of the soil. All these problems cannot be solved without science and technology and must be solved through the research of our specialists. The third feature is seeds. Having fine species of seeds is an important means of increasing agricultural production. The popularization of the hybrid rice of high-land type and the No 1 Lu strain of cotton alone has already created more than 1 billion yuan of wealth. There are also the problems related to thick planting and deep plowing. The American Han Ding opposes deep plowing. These problems also should be solved by specialists through research. In short, the solution to all of these problems lies with science and technology or with the efforts of specialists in soil science, water conservation, botany, genetics, entomology and other fields. Now our party's policies are right and since the establishment of the agricultural production responsibility system, the peasants' initiative has been greatly heightened and agriculture has developed relatively quickly. However, there is a limit to giving play to the initiative of the peasants and a state of "saturation" will be reached some day.

However, the potential for increasing production that science and technology can bring to agriculture is infinite. Our peasants understand this idea and have already tasted the benefits of scientific farming, so they are eager to use science. Now agricultural technicians have already become "gods of wealth" in our rural areas. Our peasants are vying with one another in seeking the advice of these technicians. This is a very heartening phenomenon. This is also true for our industry that also has to rely on the strength of science and technology. For example, cadres in such medium-sized cities as Xiangfan, Changzhou, and Siping understood this idea earlier. As a result, the industrial development in these cities has been quicker and some of the products there have already surpassed Shanghai in their quality. We must realize this trend of development and welcome the arrival of a scientific and technical upsurge in our country.

Now the problem for which the broad ranks of cadres on the scientific and technical front show the greatest concern is how we are to create a new situation in our science and technology work. Let me mention a personal experience. In 1956, I began to replace Comrade Chen Yi as the responsible person for science and technology work. When I was in charge of this work, Premier Zhou and Comrade Chen Yi were leading the formulation of the 12-year national development plan of science and technology. Generally speaking, at that time, the number of our technical and scientific workers was small, their level was low and their working and research conditions were poor. However, because the party Central Committee paid great attention to this work and many major issues were directly handled by Chairman Mao and Premier Zhou, we made great progress in a very short period of time. In 1964, we succeeded in exploding an atomic bomb and 2 years and 8 months later, we again succeeded in exploding an H-bomb. Many new industrial departments have been developed to fill the gaps of our country's scientific and technical field.

I think that in order to do our science and technology work well, we should do the following:

1. We should be self-reliant. Chairman Mao said that our country is first of all poor and second of all unmarked, but that the largest number of the best pictures could be drawn on a piece of blank paper. We are not afraid of having nothing on the paper. Since there is nothing on the paper, we can draw pictures as we please. In order to satisfactorily build up our country and draw the best and most beautiful pictures, we cannot rely on anybody else. We must rely on ourselves, on our workers, peasants and intellectuals. Our principle of self-reliance can be said to be the consequence of outward force. Khrushchev one-sidedly broke all the agreements and withdrew all his experts without leaving anything, even the blueprints, for us. Since he would not give these things to us, we had to rely on ourselves. This resulted in our success in making the atom bomb and H-bomb and

the development of all sectors. It was a very fortunate thing that we were forced to rely on ourselves. When we succeeded in exploding our first atomic bomb, Chairman Mao humorously said that we had to grant Khrushchev a great medal weighing 1 ton as a token of our "gratitude." Of course, our self-reliance by no means signifies a closed-door policy. We should conscientiously introduce new technology and equipment and purchase patents from abroad. We should learn and take over all those that are useful to us and make them serve our modernizations. We must understand, however, that we cannot buy modernization from abroad with money. The new technology and equipment we have bought should be assimilated through study and then be transformed and developed in the light of the actual conditions in our country. On the problem of introducing things from abroad, we must always be sober-minded. We wish to introduce advanced technology and equipment from some capitalist countries but these countries have publicly declared that they will only sell the second most advanced things and will not sell the most advanced ones. Some people find that it is too slow to develop by ourselves. I say that it is slow in some respects, but it is more reliable. Moreover, to take a long-term view, it is much quicker than the speed we can achieve if we completely rely on imports. Did we not quickly take the fortification of the sophisticated technology of the atom and H-bombs by relying on our own strength under very difficult conditions in the past? Now that we have such favorable conditions, it is out of the question that we can succeed by relying on ourselves. That is why I always advocate self-reliance, consider things from the viewpoint of basing things on development of our national industry, and scientific and technical undertakings and stress raising the scientific and cultural level of the whole nation. In the final analysis, we have to rely on our own strength. Therefore, self-reliance is our starting point. At the same time, we should pay attention to introducing advanced technology from abroad. We have done this work for decades and have already laid a certain foundation. I agree with Comrade Zhao Ziyang's view on technical transformation and on science and technology work serving economic construction expressed in his report to the recent NPC session. In my opinion, by relying on technical transformation, conservation of energy and the research into, exploitation and development of new technology, we will be able to increase production and promote the development of science. It will not do, if we import everything from abroad, rely on imports for everything or worship and have blind faith in things foreign.

2. We should formulate appropriate plans for the development of our science and technology. Having formulated a plan, we have a destination for our march and a goal to achieve through our striving. In 1956, we concentrated a few hundred scientists and technical workers to spend nearly 10 months in drawing up a 12-year science and technology development plan. Thus we clarified the key projects and persisted in developing scientific research first. This plan took into account the requirement for scientific and technical development of all sectors as well as stressing the 57 key projects. Later, because Khrushchev tore up the agreements, we shifted to stressing, regarding as key projects and organizing all the trades and professions to tackle jet propulsion technology, atomic technology and electronics. Our practice has proved that this kind of science and

technology plan that gives priority to scientific research and combines key projects with common projects can play a satisfactory role in organizing and promoting the development of our country's science and technology.

3. We should organize our ranks well. After we have formulated a plan, we should organize our scientific and technical personnel to realize this plan. At that time, the numbers of our scientific and technical personnel were small, their foundations were weak, their tasks were heavy and the difficulties facing them were very great. For example, we did not know much about jet propulsion technology and atomic energy and we could only buy some materials from abroad to read. However, we could only get a rough idea from these materials because the detailed technical materials were confidential and could not be bought anywhere. What were we to do? According to the unified national plan, we organized five contingents, namely, the research institutions, the higher education institutions, the industrial departments, the national defense science committee and the local scientific research force, and assigned to these contingents clearly defined tasks according to their strong points. Since we had a unified plan, no one could carry out his work at his will without taking into account the work of other people and all people closely coordinated and copperated by means of division of labor and jointly tackle the major technical problem hurdles. This was a nationwide cooperation and coordination of all the activities of the nation like pieces in a chess game. At that time, all the units were willing to accept whatever tasks were assigned and felt glory in doing them because these tasks were assigned and felt glory in doing them because these tasks were what all our party members, all our army and the people throughout our country wished and trusted them to fulfill. After these five contingents were mobilized, people supported one another. If only the fraternal units have the need, the coordinating units will give all-out support and facilitate things, either in technical know-how or in material supplies. There were no malpractices of shifting responsibility or mutual blockade, therefore the work efficiency was very high.

At that time, our ranks of scientific and technical personnel were small and were to be expanded through continuously recruiting new workers. We paid great attention to the problem of distributing jobs to college graduates and returned students from abroad. If any of them was not assigned a job related to what he had studied, was not properly assigned or had nothing to do through being assigned a job, we had the power to make adjustments and assign him to a new job. As we were in charge of the tackling of the major problem hurdles, we knew what kind of people were needed by which department and how to assign jobs properly. This was done in the manner of a commander in chief directing a battle. He had to know the kind of troops that were needed on which front and how many troops were needed. Having taken the personnel power in our hands, we combined the management of the tasks with that of personnel. As a result, we enabled these young intellectuals to utilize their strong points and get appropriate jobs, thus, they vigorously struggled in the van under the guidance and command of old specialists and played a material role in tackling the major technical problems hurdles. Now they have already become the backbone force on various fronts.

4. We should strengthen the centralized unified leadership. Modern science and technology differs widely from that in the 18th and 19th centuries. At that time, scientific research was often the result of the independent efforts of individuals and an individual was able to achieve many inventions and discoveries in his life. Things are vastly different now. True, some research of basic theory and technology, such as research in certain mathematical theories, can be done by adopting old methods, but the research of major basic theories and the research and manufacture of major projects and equipment must be done by means of modern experimentation. Therefore, an individual, unit or even a whole trade or local area does not have sufficient resources to carry this out and we have to concentrate the strength of the whole nation in doing it. In manufacturing guided missiles, atom bombs, airplanes, warships and computers, we needed many new-type materials and sophisticated apparatuses and precision instruments. At that time, these things were not available either at home or abroad. We organized our own force to produce them by division of labor and cooperation and fixed a deadline for the fulfillment of the tasks. At that time, we needed more than 13,000 kinds of new materials and none of these materials had ever been produced at home. Because of the centralized and unified leadership and the vigorous coordination and cooperation, however, we succeeded in testing all these materials in a short time which all satisfied the prescribed state quality standards. To satisfy the need of the development of science and technology work, we organized the force of the whole nation to test produce the "nine major equipments" for making the special types of materials that were of particularly great thickness, thinness, breadth and length. It was a pity that the "Great Cultural Revolution" put an end to all these efforts; otherwise, the technical level of our country's industry would have reached a higher plane. This was an obvious example of science and technology promoting industrial development. If we had not concentrated our science and technical force and did not have the centralized command of our scientific and technical personnel, we would not have fulfilled such magnificent tasks even if we had wished to. These centralized efforts resulted in successes in making products of highly sophisticated technology, the corresponding development of many new industrial sectors and the corresponding establishment of many new branches of learning. People call this period the "golden age" of our country's scientific and technical work. This tells us a truth that in doing all our work we have to proceed from the needs of the state and that this is the starting point for us in considering and handling problems. As long as the state has the need, we should take up the management. We should not be apprehensive of managing too many things. We should manage the personnel, finance and materials because the state needs us to take them up in our management. It is also because of the state's needs that we demand centralized and unified planning, the mobilization of the five contingents and their coordination in solving the contradictions that have emerged. Thus we will be able to bring about the greatest return for our limited resources of labor, materials and funds and avoid the dispersion of the work force and duplication of scientific research projects.

At that time, we called this method of tackling major technical problems hurdles under centralized and unified leadership "developing branches of learning through the processes of fulfilling tasks." This is a good method of developing science and technology. Of course, this is not the only method. Modern science and technology is very complicated, so we should adopt many ways of developing it and should not seek a "uniform" method. We must not discriminate against the research of basic science. Basic science and applied science supplement one another. We should be more far-sighted and should not look down upon basic scientific research because it does not bring along any tangible economic results in a short time. Basic scientific research is the foundation of applied scientific research. Therefore, it is impossible to carry out applied scientific research without a certain amount of basic scientific research. Our principle must be "strengthening applied scientific research while paying attention to basic scientific research" as was pointed out in Comrade Hu Yaobang's report to the 12th party congress. Premier Zhou expounded on this problem in the past and recently so has Comrade Zhao Ziyang, time and again.

The 12th party congress has already formulated a magnificent plan for socialist modernization and the Fifth Session of the Fifth NPC will soon examine, discuss and approve the Sixth Five-Year Plan. The prospects of socialism are as beautiful as a silk embroidery. Now the problem is the earnest implementation of the policies related to our intellectuals. Recently, Comrade Deng Xiaoping said that in order to actually achieve the 20-year development plan, in order to complete the construction of a large number of major key projects and in order to tackle major scientific and technical problems hurdles, "the first thing we should do is soundly solve the problem related to the management and employment of our scientific and technical labor force." He said that "in order to break the boundaries of departments and localities, and rationally employ this force, we must unify its management. This will be impossible, if we do not have a strong authoritative organ." I fully agree with this opinion. Now, we have a scientific and technical labor force of more than 5.7 million people. This is not a small technical force. We have some fundamental scientific research equipment and a larger amount of funds. These conditions are much more favorable than those when I was in charge of this work. Now, we are speeding up the development of integrated circuits, especially the development of highly condensed ones with extremely great speed and also the new generation of computers. This is of tremendous significance in promoting the development of science and technology. As long as we overcome decentralism and departmental selfishness and strengthen our centralized and unified leadership, as long as we put an end to the malpractices of shifting responsibility to one another and of mutual blockade, but on the contrary, exercise unified planning, coordinate all the activities of the nation like pieces in a chess game, carry out a rational division of labor, support one another and carry out nationwide cooperation and as long as we give full play to the superiority of the socialist system, we will be able to create a new situation in our country's science and technology work and bring along a new "golden age" in this work.

The key to the four modernizations is the modernization of science and technology. In order to achieve the modernization of science and technology, we should rely on the intellectuals who master modern science and technology. Without intellectuals it will be impossible to achieve either the four modernizations or the magnificent goal of quadrupling. This idea has recently been repeatedly propagated in our press. However, some people are still not convinced, and think that the party has gone too far in implementing its policies related to the intellectuals. This is a very erroneous viewpoint and is very harmful to the socialist cause. We must teach these people to correct their views and to treat this problem with a strategical view. The prejudice of looking down upon knowledge and science and discriminating against intellectuals was originally the reflection of ignorance and backwardness. As a legacy of the old society, it has been of long standing in our society. This prejudice also has its influence in our party. Aggravated by the influence of the "leftist" ideology, various kinds of prejudice of looking down on and discriminating against intellectuals have emerged in the minds of some of our cadres. This also has a very long history. During the period of the Red Army, the medical and telecommunications personnel came from KMT troops. This work could only be done by employing these people because the worker and peasant cadres were not capable of doing it. With the education of the party, these people quickly became our technical cadres and some of them became ministers of our government after the founding of the PRC. They have played a very satisfactory role in our revolution and construction. At that time, they were paid salaries of money, while our commanders in chief and political commissars received their payments in kind instead of money. They led a better life than us. However, some people did not think this was right and complained. During the war of resistance against Japan, we had our base areas, field armies and border area governments and needed to set up hospitals and industrial enterprises and arsenals to make and repair weapons. Moreover, we had to carry out radio telecommunications and establish newspaper offices and broadcast stations. Thus we needed a larger number of intellectuals to join the revolutionary ranks. However, there were obstacles and the intellectuals suffered discrimination. Therefore, in 1939, the party Central Committee issued the "Resolution on Recruiting a Large Number of Intellectuals." Since then, a large number of intellectuals came to the liberated areas.

This problem was not solved after the liberation of the whole country and there have always been conflicts on it. In 1956, the party Central Committee held a national meeting on problems related to the intellectuals, in which Premier Zhou gave the "Report on the Problems Related to Intellectuals." He pointed out that at that time, the main tendency in our party on the problems related to the intellectuals was factionalism, an underestimate of the tremendous progress in politics and in their work of our intellectual circles, an underestimate of the intellectuals' important role in our socialist cause and an ignorance of the fact that the intellectuals were a part of the working class. He emphatically expounded on the position and role of the intellectuals in our socialist construction. He said: In the final analysis, the reason why we should build up a socialist economy is to satisfy, to the greatest possible extent, the constantly increasing material and cultural demands of the whole society. In order to achieve this aim, we must continuously develop a social productive force and raise labor productivity and must constantly increase and improve socialist production on the basis of a highly developed technology. Therefore, during the period of socialism, we have a demand even more urgent than in any other period for fully raising our technology of production and for fully developing science and utilizing our knowledge of science. Therefore, apart from the necessity of relying on the conscientious labor of the working class and the broad ranks of peasants, it is necessary for us to rely on the conscientious labor of the intellectuals. In other words, we must rely on the close cooperation of manual and mental labor and the fraternal alliance of workers, peasants and intellectuals, thus the problem was initially solved. However, a reverse tendency emerged in 1957 and 1958.

At the national scientific planning conference and the national conference on theatrical creation held in Guangzhou in 1962, many scientists, writers and artists again aired their views on intellectual policies. Consequently, discussions on an intellectual issue were added to the agenda of the Guangzhou conference. Premier Zhou personally attended the conference. Premier Zhou, Comrade Chen Yi and I, as well as Comrade Guo Moruo, discussed this issue on several occasions. We held that intellectuals are not an independent class. They can serve the bourgeoisie and they can also serve the proletariat. We have engaged in socialism for many years and most of the intellectuals have been trained by us since the founding of the PRC. How can we say that they are bourgeois intellectuals? We proposed to "remove the label from the intellectuals and provide them with a halo" by removing the label of bourgeois intellectuals and proclaiming them intellectuals of the working people. Premier Zhou, Comrade Chen Yi and I spoke at the meetings. Premier Zhou delivered the first speech. He expressed his heartfelt pleasure at the growth and development of the ranks of our intellectuals. The generation of old intellectuals had succeeded in training a generation of new intellectuals, both of them forming socialist intellectual circles. They had made tremendous progress after 12 years of transformation and trials. Like the workers and peasants, most intellectuals love the motherland. The premier said, we were greatly moved by your great love for the motherland. This was the pride in our intellectuals!

Before his return to Beijing, Premier Zhou asked Comrade Chen Yi to deliver a speech announcing the removal of the label of bourgeois intellectuals. Comrade Chen Yi first transmitted to the scientists, writers and artists attending the conference Premier Zhou's words that they were the intellectuals of the people, revolutionary intellectuals, and mental laborers who served the proletariat and should be freed of the label of bourgeois intellectuals. "The workers, peasants and intellectuals are the three component parts of the Chinese working people." He emphatically said: "We should no longer put the label of bourgeois intellectuals on all intellectuals after 12 years of transformation and trials." Comrade Chen Yi made it fairly clear by saying, "They are still uncomplaining, are still willing to follow us and still do not lose confidence in the Communist Party after 12 years of transformation and trials. We can at least see a person's heart. If the Communist Party still fails to test or distinguigh a person in 8, 10 or 12 years, the Communist Party does not have foresight!" "Did

Marx, Engels, Lenin or Chairman Mao ever say that the Communist Party does not respect knowledge and science? No one has ever made such a remark. Ignorance is a great enemy. Imperialism is an enemy, feudalism is an enemy and ignorance--with hundreds of millions of people having no knowledge and no scientific knowledge--is also a great enemy."

After being "freed from the label and provided with a halo," the broad section of our intellectuals felt warm to the bottom of their hearts. Pleased and active, they were quick in attaining many achievements in scientific research. This is the fundamental reason for the emergence of the "golden age" in our scientific and technological work.

If we look through history, we can see that we did the work of "removing the label from the intellectuals and providing them with a halo" as far back as in 1962 during the Guangzhou conference. The conclusion affirming that the intellectuals are socialist laborers and a part of the working class was reached at that time. However, the emergence of the "Cultural Revolution" overthrew all this. Under the sabotage of Lin Biao and the "gang of four," intellectuals were again labeled as "bourgeoisie," "reactionary authorities" and "the stinking ninth category." They were severely hit and humiliated and were unable to stand up. It was necessary for the leading comrades of the party at various levels to actively create good working conditions for the scientific and technical personnel and take good care of them politically and in their livelihood. During the difficult period, in an effort to care for the scientists, I called in the aid of the navy for some fish, in the aid of the Beijing and Guangzhou Military Regions and the Xinjiang Military District for some meat and in the aid of some other localities for some soybeans and edible oil. In the first place, their labor was a very arduous one, and they shouldered a very important task of tackling key problems. The party should take good care of them. However, right and wrong were confounded during the "Cultural Revolution." All this was regarded as the "revisionist line" and was criticized until it was "discredited." They criticized what they called "scientific and technical fish" and "scientific and technical meat." The "leftist" errors developed to a very high degree. This not only subjected the intellectuals to great humiliation but also China's scientific and technological undertakings and even the entire social undertaking to great damage. In the late 1950's, we marched toward the modernization of science and other new branches of learning, with such modernizations as transistors, calculators and lasers. At that time, some Western countries had also just started at the beginning. Twenty years later, the gap between foreign countries and us is greater. This is a fact known to all. Therefore, judging by the history of our party, it has never been able to dispense with intellectuals, either in its revolutionary or construction cause. Whenever we pay attention to intellectuals and adopt a correct policy toward them our cause makes progress and develops. On the other hand, whenever we discriminate against intellectuals and adopt an erroneous policy toward them our cause suffers a setback. This is particularly true in the period of socialist construction.

Since the smashing of the "gang of four," particularly since the 3d Plenary Session of the 11th CPC Central Committee, the party has, in the course of setting things to rights, reexamined and established the party's policy toward the intellectuals, reaffirming that, by and large, the intellectuals constitute a component part of China's working class. Comrade Deng Xiaoping has delivered many speeches on this issue. Consequently, the intellectuals throughout the country are pleased and have peace of mind for being able to stand up. They have made great contributions by actively working on various fronts. The party has now made clear its policy toward the intellectuals and has issued repeated injunctions on its implementation. The "Revised Draft Constitution of the PRC" submitted to the current NPC for consideration has also made clear in its preamble that in building socialism it is imperative to rely on the workers, peasants and intellectuals. That is to say, the workers, peasants and intellectuals are the three main social forces in our country and form the principal part of our people. It is necessary to tell the broad section of our cadres and masses to fully understand the position and role of the intellectuals in our socialist modernization.

There are some people who say that "our evaluation of intellectuals is exaggerated" and that intellectuals are "cocky once again." These words are groundless. At present, our implementation of the policies related to the intellectuals has just begun and the resistance we are encountering both within and outside our party is not small and can be regarded as being quite stubborn. I had a talk with a GUANGMING RIBAO reporter in August of this year. Most people approved of this talk when it was published in the newspaper. There were also people who opposed this talk, criticizing the comrades in the GUANGMING RIBAO office for speaking on a bourgeois stand. I have indeed offended some people on this issue. However, what is to be done? We must continue to fight for the interests of the party and state, for the four modernizations and for the overall implementation of our intellectual policies.

On the question of implementing the policy toward the intellectuals, it is still necessary for our press and press institutions to make a loud appeal to the public. It is no good to talk about it in general terms; it is necessary to make a public criticism. It is also no good to make a mild criticism; it is necessary to make a sharp criticism. Sometimes it is even necessary to conduct some struggles. Neither Marx nor Engels said that all intellectuals are reactionary. They always made a concrete analysis of intellectuals and gave different evaluations to different intellectuals. Both Marx and Engels fully affirmed and highly evaluated the contributions to human progress made by such great scientists as Newton, Galileo and Darwin. Engels also specifically said that even under the capitalist system, it is also possible to turn out from among the university students "a king of proletariat who engages in mental labor" and who fights shoulder to shoulder with the fraternal workers engaging in manual labor. For this reason, it is necessary for us to conduct ideological education through various means to enable the broad section of cadres and masses to understand the idea that in developing modernization, making our economy prosper, carrying out the construction of the two civilizations and achieving the goal of quadrupling by the end of this century, we cannot dispense with scientific and technical progress and we cannot dispense with intellectuals.

At present, we have to pay particular attention to giving play to the role of middle-aged intellectuals. The middle-aged intellectuals ranging from 40 to 50 years old are a generation of new intellectuals who grew up under the direct cultivation of the party. They are a generation serving as a link between the past and future, carrying forward the revolutionary cause and forging ahead into the future. They love the motherland, socialism and the party and they never change their original intention, even under adverse circumstances. Having laid a relatively solid foundation in professional knowledge, they have made great contributions in the field of science and technology to the cause of China's modernization program. These middle-aged intellectuals are the backbone on all the fronts. The heavy task of developing modern science and technology, building both material and spiritual civilization and raising the scientific and cultural level of the whole nation rests on their shoulders. This is a glorious mission entrusted to them by history. They have a heavy work load and have made great contributions. However, their salaries are low and they have a lot of difficulties in their livelihood. The party's policy toward the intellectuals has not been completely implemented among them. In many departments and localities, they have not received their due respect and good care. The problems related to their working and living conditions have not been solved in a satisfactory manner. This merits the attention of our leading comrades at various levels, particularly the leading comrades in factories and institutions. The academic ranks and titles of intellectuals should be solved in a satisfactory manner. However, there is also the problem of pay and conditions that should be gradually solved by adopting various specific measures. In short, improving the working and living conditions of middle-aged intellectuals has become a very urgent issue. Marx said long ago that mental labor is a complicated one that should receive relatively better remunerations. We should considerably increase their salaries. We should practically solve this problem by overcoming the egalitarian mentality in our ranks. It is necessary to free the intellectuals of their trouble at home so that they can wholeheartedly engage in the four modernizations.

The advanced deeds of Comrades Jiang Zhuying and Luo Jianfu publicized in succession recently by GUANGMING RIBAO and GONGREN RIBAO are very touching. The communist spirit of these two Communist Party members is worth our learning. They had bright prospects in the first place because they had high consciousness and made great contributions to the state. Comrade Wang Daheng, director of the Changcun Optical Machinery Research Institute where Comrade Jiang Zhuying worked before his death, is a noted Chinese opticist. He had made a great contribution to the optical cause of our country. Comrade Jiang Zhuying was precisely a student of his pride, to whom he was going to hand over the future task. It was a pity, however, that Comrade Jiang Zhuying died while he was "tackling key problems." This constituted a loss for the state. Such intellectuals as Jiang Zhuying and Luo Jianfu are excellent representatives of the contemporary Chinese intellectuals and are a valuable treasure of the party and state. We all deeply regretted their unfortunate early deaths. What is more important, however, is that the leading party and government cadres at various levels should take good care of and show great concern for thousands upon thousands of living Jiang Zhuying's and Luo Jianfu's. We should draw lessons from the early death of these middle-aged intellectuals. Have the leading comrades of our party and government organizations at various levels failed to do what they ought to have done and take better care of them? It should be noted that, as far as our country is concerned, our scientific and technological personnel are not many but are few. Those scientists and technical experts who love the motherland, work diligently and conscientiously and have real ability and training are our national treasure. Naturally, the intellectuals also have their shortcomings and not all intellectuals are competent persons. I hope all intellectuals will study hard, strive to make progress, overcome their shortcomings, raise their professional standards and strive to become both Red and expert and make more contributions to the motherland.

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EDUCATE THE PARTY MEMBERS IN THE NEW PARTY CONSTITUTION, MAKE IDEOLOGICAL PREPARATIONS FOR PARTY RECTIFICATION

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[Speech by Song Renqiong [1345 0117 4522] on 19 November 1982 at the national conference on educating party members]

[Text] Comrades, this national conference on educating party members is an important meeting for implementing the 12th party congress spirit, studying and making arrangements for education of party members in accordance with the demands of the new party constitution, and preparing for party rectification. I now want to give some views.

I. The New Party Constitution Is the Best Since the Founding of the Party

The new party constitution since its promulgation has drawn a strong response inside and outside the party and at home and abroad. Many comrades hold that the new party constitution "is the quintessence of the party's historical experience and of the wisdom of the whole party" and is "the weapon for rectifying and building the party." The new party constitution affirms in charter form the correct line since the third plenary session, and there are great prospects for our party and our cause.

A number of foreign publications and press agencies have also held that the new party constitution is "sober and realistic in tone," "expresses the resolve to refurbish the party work style," and has laid down a "Chinese-style path for building socialism."

How should we judge whether a communist party constitution is good or not? There can only be one criterion and that is whether it is solved well or not the question of integrating Marxism-Leninism with the practice of a country's revolution. I will now apply this criterion to analyze the question of why we say that the constitution of the 12th party congress is the best since the founding of the party.

1. The new party constitution meets the needs of the governing party. Ours has been the governing party for more than 30 years. The constitution of the eighth party congress touched on this question. However, as the state had not been in existence long at that time, the conditions for solving this

question were not sufficiently ripe. The constitution of the 12th party congress takes full consideration for the position of the governing party and has appropriately made a series of specific regulations for ensuring that the organizations at all levels of the governing party and all its members have rules to follow. The party constitution includes for the first time the stipulation that "the party must conduct its activities within the framework of the constitution and the law." Ours is the governing party that leads political power in the whole country. The party's line, principles and policies are the concentrated expression of the common interests and will of the people of all nationalities throughout the land. Through the constitution and the laws formulated by the state organs of power, our party's leadership of the people of the whole country is also the concentrated expression of the common interests and will of the people of all nationalities throughout the land, and has also become the will of the state. Hence, under our socialist system, the will of the people, the state and the party are identical. For Communist Party members, no matter what post they hold, practicing and adhering to the constitution means carrying out the will of the party. Any tendency of setting the constitution and the law against the tasks of the party, of weak concept of law and discipline, or of failure to observe the law or to strictly enforce it will weaken the position of the governing party. All such tendencies are intolerable. Everyone still remembers the incident that occurred a few years ago: The masses asked us "whether the constitution or the county CPC committee is the greater." This is a simple question and also a sharp criticism. The new party constitution has now made a totally unequivocal reply to this question. The position of the governing party poses new demands not only on the framework of the party's activities but also on the party members and cadres. The constitution of the 12th party congress lays down regulations suited to the position of the governing party with regard to the rights and obligations of party members, the basic conditions for party cadres, and the tasks of the party organizations at all levels. The new party constitution demands that the party members "always be ordinary members of the laboring people," that "party cadres are the people's servants," that "apart from individual interests and work duties within the framework stipulated by the system and policy, no party member may pursue any private interest or special powers," and that "the party's leading cadres at all levels, whether they were democratically elected or appointed by the leading organs, do not hold their posts for life, and all of them can be transferred or relieved of their posts." The appearance of these stipulations in the new party constitution shows that our party has become a mature governing party.

2. The new party constitution meets the needs of bringing order out of chaos. Many of the clauses of the new party constitution can be described as correcting the mistakes of the 10 years of internal disorder and consolidating the results of bringing order out of chaos. The new party constitution gives a complete and scientific outline of the party's ideological line: "Proceed from reality in everything, link theory with reality, seek truth from facts, and test and develop the truth in the course of practice." This is a summation of the party's positive and negative experiences in ideological line for a long time in the past, and is also the ideological

weapon for continuing to bring order out of chaos in all respects in the future. The new party constitution stipulates that "the party prohibits any form of personality cult." This shows that our party has absorbed the serious lessons of indulging in personality cult in the past and is resolved to establish correct relationships between the leadership and the party and between the leadership and the masses in accordance with the historical materialist viewpoint. The new party constitution also stipulates that "no party member, no matter how high or low his post, may decide himself on major issues." This has always been our party's consistent principle. It has also been put forward in the light of the serious damage suffered by the party in the past as a result of the individual autocracy with "one person having the say" that appeared in our party for a time in the past.

3. The new party constitution suits the needs of socialist modernization. In accordance with the main contradictions in Chinese society, the party's general task in the present stage, and the focus of party work, the new party constitution gives prominence to socialist modernization. This is the first time that a party constitution has assigned such an important position to the task of modernization. The new party constitution also stipulates that "party leadership is mainly political, ideological and organizational leadership." This has thus solved in principle the major question of how to uphold party leadership in the cause of China's socialist construction, and has prevented lack of division of party and government and of party and enterprises, with low work efficiency, from continuing to affect the progress of the cause of socialist construction. The new party constitution stipulates that the rank of party cadres must be revolutionized, younger, better educated and more specialized, that the party cadres must "undergo party training, investigation and examination," and that the leading cadres at all levels must meet six basic criteria. The party's cadres are a backbone force in the socialist modernization cause, and building a high-quality cadre force is precisely a stipulation of strategic significance that our party has laid down in order to meet the needs of the new period.

4. The new party constitution suits the needs of building socialist spiritual civilization and socialist democracy. Enhancing the masses' communist awareness, so that the people will genuinely become the masters of the country, is an expression of the superiority of socialism, and is also an historic task shouldered by the party. The new party constitution points out in its general program: "While leading the people to build a high degree of material civilization," the party "leads them to build a high degree of socialist spiritual civilization," and it must "lead the people to develop socialism, put the socialist system on a sound basis, and consolidate the people's democratic dictatorship." The new party constitution therefore puts forth a whole series of specific demands regarding the stipulations on the tasks of party members, party cadres and party organizations at all levels.

5. The new party constitution suits the needs of achieving a fundamental turn for the better in party work style. The three basic demands put forward by the new party constitution regarding a high degree of ideological and political unity, wholehearted service for the people, and the upholding of democratic centralism express in concentrated form the strong will of our party to achieve a fundamental turn for the better in its work style. In order to fulfill the three basic demands in party building, the new party constitution lays down a whole series of regulations in the chapters on party members, party cadres, the party's organizational system, the party's grassroots organizations and the party's discipline.

The five "suitings" mentioned above show that the reason why the new party constitution is good is because it fully embodies a high degree of integration of Marxism-Leninism with the practice of the Chinese revolution, and a high degree of integration of Marxist-Leninist doctrine on the vanguard force of the proletarian with the practice of party building. The entire contents of the constitution's 10 chapters and 50 articles are closely linked to our target of endeavor, to the destiny of the state and people, and to the tasks of revival and reform facing us. Engels said that the value of the resolutions of a party congress depends on their scientific nature. The five "suitings" we have spoken of as properties of the new party constitution are precisely the outstanding hallmarks of the scientific nature of this party constitution.

Engels was one of the writers of the "Communist Manifesto." Throughout his life, he took part in revising, examining and approving many party constitutions and programs. In this respect, he gave some very pithy expositions. He once held the viewpoint that the history of a party is the best exposition on the party's constitution. In our previous passages, we evaluated the party constitution approved by the 12th party congress from the angle of its scientific nature. Now we are going to use this viewpoint of Engels' and proceed from the evolution of the party's history and of its previous constitutions to look into the question of whether the 12th congress' constitution is one of the best party constitutions since the founding of the CPC. During the 61 years since the founding of the CPC, it has formulated 12 party programs and constitutions (all are party constitutions, except the one approved by the first party congress which was called the "Program of the CPC"). In the 24 years from the founding of the party to the time before the seventh party congress was held, six party programs and constitutions were formulated with the direct assistance and guidance of the Comintern. This was a result of the international and domestic political conditions at that time. The constitution of the seventh party congress was the first party constitution that was independently formulated by our party after the dissolution of the Comintern. It was an exercise in integrating Marxism-Leninism with China's revolutionary practice and was a party constitution that facilitated the prosperity and development of the party and guided the revolution in vigorously developing until nationwide victory was achieved. The constitution of the eighth party congress was the first party constitution that was formulated after we seized state power. It inherited the strong points of the seventh congress' constitution and put forward new requirements for the party in order to make sure its position as a party in power. What is especially valuable was that the report on the revision of the party constitution given at the eighth congress fully expounded on the question related to the personality cult. The eighth congress' constitution was a good one. It was a pity that some of the regulations of this constitution were not carried out. The constitutions of the 9th and 10th party congresses reflected our party's mistakes during the "Great Cultural Revolution." The 11th congress' constitution was formulated not long after the smashing of the "gang of four." As the party was not sufficiently mentally prepared for the overall elimination of the "leftist" mistakes, this party constitution was not free from the guidance of the "leftist" ideology, though it had played some positive roles. It was precisely through drawing on both the positive and negative experiences of the previous party constitutions and through making further developments and improvements on the basis of the 7th and 8th congresses' constitutions that the constitution of the 12th congress was formulated through 3 years of collecting the wisdom of the whole party. Compared with all the previous party constitutions, the 12th party congress' constitution deserves to be regarded as being the best one since the founding of the CPC.

A recent report reflects the idea of some people that regarding the 12th congress' constitution as the "best party constitution since the founding of the CPC" will lead to negating the history and give rise to difficulties in evaluating the party constitution of the 13th and 14th party congresses. This idea is wrong. By regarding the 12th party congress' constitution as the best one, we mean that it inherits the previous constitutions and facilitates further development. Since it inherits the previous ones, it certainly does not negate the past nor the party's history. On the contrary, it scientifically confirms the history of the party. Since it facilitates future development, it has not yet been 100 percent perfect and should be tested in practice. If it is found that some of the stipulations of this constitution are not suitable or need additions, the 13th and 14th party congresses must and can revise it, add something to it and develop it in order to improve it. These comrades' apprehension for negating the party's history precisely proves that they are not familiar with the party's history and their fear of a harmful influence on precisely evaluating the future shows that they do not really understand our infinitely bright future.

II. A Good Party Constitution Is Formulated To Be Implemented. Therefore, We Must Act in Accordance With the New Party Constitution

"A step of actual action is more important than a dozen programs." ("Selected Works of Marx and Engels," Vol 3, p 3) This well-known saying by Marx tells us that we should not pay attention only to the formulation of the program but fail to practice it. It is very relevant to use these words of Marx to explain the importance of implementing the new party constitution. Since the founding of the CPC, 12 party constitutions have been formulated. None of the victories of our revolution could have been achieved if our party had not formulated and implemented its correct constitutions.

Since its promulgation, the new party constitution has been unanimously well received, both at home and abroad. However, there are some people who have expressed their worries that some of the stipulations in the constitution cannot possibly be carried out. These worries are not completely groundless. Quite a few of the correct stipulations in the eighth party congress' constitution have not been satisfactorily carried out and soon after the congress there emerged the movement of fighting against rightist deviation and then the 10 years of civil disorder caused by the "Great Cultural Revolution." Should we allow, then, people's worries to continuously exist? No, we should not. We have to do some work in order to establish in people's minds confidence in the unquestionable implementation of the 12th party congress' constitution. We should tell people that the implementation of the 8th congress' constitution was hindered because of certain historical conditions. These historical conditions were: 1) dogmatism and personality cult seriously fettered the party's ideology; 2) the "leftist" tendency seriously existed in our party; 3) the inner-party political life, especially the political life of the high-level leading stratum, was abnormal and democratic centralism was undermined; and 4) though the shift of the emphasis of the party's work had been put forward, it could not have been carried out because of the "leftist" mistakes in the theory and practice related to the problem of class struggle. Now all these problems have been sorted out and resolved. First, ideologically speaking, we have broken away from the longstanding serious fetters of dogmatism and personality cult and have reestablished the ideological line of Marxism-Leninism. Second, we have already sorted out and eliminated in an overall manner the "leftist" mistakes arising during and before the "Great Cultural Revolution." Third, inner-party democratic life has already embarked on a route of normal development. In this respect, the CPC Central Committee has taken the lead in setting an example. Fourth, we have already carried out a systematic criticism of and eliminated the erroneous theory of "regarding class struggle as the key link" and "carrying on the revolution under the proletarian dictatorship" that was put forward during the "Great Cultural Revolution."

The emphasis of the party's work has already been shifted on socialist modernization. The new party constitution and all other important documents of the 12th party congress were formulated by the party after profoundly summing up its historical experience, comprehensively analyzing the actual conditions and evaluating all the favorable and unfavorable conditions. Our full confidence in the implementation of the new party constitution is scientifically based. In my opinion, if we clearly explain to these comrades the above-mentioned reasons, they will be confident rather than worried about the implementation of the new party constitution.

As for a few others, they have confidence neither in the implementation of the new party constitution nor in any of our causes and communism. Often these people cannot be convinced by mere reasoning. We should allow them to watch for 1 year or several years and then let them use facts to correct their mistakes in understanding by themselves. However, this only applies to the people outside the party. Our party members are not allowed to spread any erroneous ideas that may injure the serious nature of the new party constitution. Nor are any of our party members allowed to refuse to implement the party constitution on the excuse of lacking confidence. This is the discipline of the party.

The implementation of the new party constitution begins on the day when it was approved, that is, 6 September 1982. This is effective on a large scale for every party organization and member. It cannot be delayed until confidence is established or until the party rectification is carried out. Our publicizing and implementing of the new party constitution is aimed at laying a foundation for the party rectification next year. We should first carry out education and then examine the results. At a later time after education we will evaluate whether a party member is qualified or unqualified and criticize him for his shortcomings, and thus we will be able to make them gladly accept criticism and evaluation. When we were in Yanan, we rectified the party work style first and then held a party congress. After the party rectification, we unified the thoughts of the whole party and formulated a correct line. As a result, the seventh congress became a congress of unity and victory. This time, we held the 12th party congress first and then began to carry out party rectification. Our party is such a big party that in order to satisfactorily carry out party rectification, we have to spend some time in publicizing and educating people on the party constitution after the congress was held before we carry out an overall party rectification. We must very carefully do all the preparatory work and must pay extremely close attention to this work. It is wrong to think that this work can be delayed until next year when the party rectification has begun and thus slacken our efforts at present. Of course, during and after party rectification, we should continue to study and publicize the new party constitution. We must clearly explain this to all the comrades of party committees at all levels and to comrades of the propaganda, organization and discipline inspection departments of these committees.

III. In Order To Implement the New Party Constitution, We Should First Grasp Education

In order to implement the new party constitution, we should conscientiously pay attention to educating our party members. In the document concerning the strengthening of education among party members, a very comprehensive stipulation has been made on the requirements of educating party members in the party constitution. The problem now is to satisfactorily carry out this stipulation.

Our party has more than 39 million members who are organized into more than 2 million basic party branches. To carefully, vigorously and soundly organize party members to study and implement the new party constitution is a very arduous task.

We all know that our ideological education and our work of education among the party members is still a weak sector. In other words, we have a lot of outstanding work in this field. It is precisely for this reason that we have to make great efforts to lay a foundation for satisfactorily doing this work. Otherwise some party members will remain ignorant of the stipulations of the new party constitution a few months, or even 1/2 or 1 year after the new party constitution came into force. As a result the instances of violating the party constitution will frequently occur and even become a common practice. This will actually aggravate some people's doubt about the possibility in carrying out the new party constitution.

The joint investigation report on the situation in the education among party members in 19 provinces, municipalities and regions that was made by the organization and propaganda departments of the CPC Central Committee in June and July of this year has raised a question that calls for deep thought: Why have our party members failed to play the same great role that they did at the initial period after the founding of the PRC, since the proportion of party members in the national population now is 1 to 25, which is 4 times the 1 to 100 proportion of that period? In his report to the 12th party congress, Comrade Yaobang answered this question. He said that this was because we have as yet failed to completely eliminate the pernicious influence of the 10 years of civil disorder, because under the new conditions the corrosive influence of the various kinds of ideology of the exploiting classes have aggravated the situation and because the problem still exists of impurity in ideology, work style and organization in our party. The document on strengthening education among party members points out that the actual reflection of this problem tells us that in order to create an overall new situation in our socialist modernization, we should first create a new situation in our party building and in educating our party members.

In this article, we are going to recommend a good experience of satisfactorily carrying out education among party members. This is the experience of the Hunan Changling oil refinery in developing the education movement of "becoming qualified party members." Through careful investigation, the party committee of this factory has learned of the problems among the ranks of party members there. How should these problems be solved? After repeated analysis, they found through repeated discussions an idea that made a breakthrough. This idea is that they should put an end to the previous practice of paying attention only to the people at both ends and neglecting education among those people who are in the intermediate state, and instead, they should pay attention to educating those party members who are in the intermediate state and who form the majority of the party members. They organized party members to study the documents about party building and systematically expound for them on the basic knowledge about the party. Then every party member compared what he had studied with his own behavior and found what requirements he had satisfied and what requirements he had failed to satisfy, and then fixed a goal for him to make further efforts to achieve. During the process of study and comparison, the cadres of the party committee and branches engaged in heart-to-heart talks with the party members and consciously helped those whose work performance, work style and thoughts were in an intermediate state to catch up with the advanced. Then they carried out the evaluation and comparison movement of "becoming qualified party members." After this educational activity, 1,000 of the 1,100 party members who were in an intermediate state in the factory remarkably raised their level of awareness and 300 of them caught up with the advanced party members. The change in the intermediate party members greatly shocked the originally backward party members. The old "isolation of the advanced" has already been put to an end and the practice of "vying with one another to become advanced" has greatly developed.

This factory has, furthermore, extended the movement of "becoming qualified party members" and turned it into an education movement of "becoming four qualified," that is, "becoming qualified cadres," "becoming qualified CYL members" and "becoming qualified workers." The change in party work style has brought a change in the general mood in the factory and the erroneous idea of "looking for money in everything" has gradually lost its market.

To be effective, education among the party members should be relevant and should be carried out in the manner of being particular about methods. There is still a great deal of the remnant influence of "leftism" in our methods of ideological and political work. In one of his speeches, Comrade Yaobang pointed out that in exposing, criticizing and investigating, many localities still adopt the old methods of the "Great Cultural Revolution." Are there now any old fetters and conventions of old ideology in the methods of some of our people in considering problems, inspecting people and doing ideological work? I think there are. For example, some areas are still using the "leftist" methods of indiscriminately carrying out criticism in an unfair and exaggerated manner. Of course, we must oppose the liberalist practice of keeping on good terms with everybody and maintaining peace at the expense of principle. The combat effectiveness of ideological and political work lies in its relevance, but maintaining its relevance is aimed at effectively stirring up rather than injuring the initiative of our party members. In carrying out education among party members in some localities, there has emerged a practice of calling some people party members of the "Great Cultural Revolution." This depressed the comrades who joined the party during the "Great Cultural Revolution" and hurt their feelings. The party members who joined our party during the "Great Cultural Revolution" constitute 40 percent of our party's total membership.

Indeed, there are some of them who were abruptly admitted into the party, but we should not indiscriminately say that none of them is qualified or indiscriminately call every one of them a rebel. There are indeed among them many good party members. Of course, there are also some who have committed mistakes, some even serious ones. However, these mistakes were committed under the historical conditions at that time. If only they are not the "three kinds of people," we should not hold them individually responsible for these mistakes. These comrades should be helped and educated with meticulous care, both in the educational activities of studying the new party constitution now and in the party rectification next year. Thus, we will make them feel the warmth of the party organizations' concern and become more close to the party organizations. As for those who joined the party before the "Great Cultural Revolution," during the educational activities of studying the new party constitution, we should tell them that the longer one has been educated by the party, the better one should take the lead in implementing the new party constitution. We should make them understand that "qualified party members" cannot always remain unchanged and that a qualified party member of the past may become an unqualified one under the new conditions if he fails to make efforts to study and implement the new party constitution.

IV. The Key to the Implementation of the New Party Constitution Lies in Cadres

By treating cadres as the key to the implementation of the new party constitution, we mean that party cadres, especially leading cadres at all levels, must pay attention to and be good at educating party members. Moreover, they should set examples in taking the lead in implementing the new party constitution.

Reflected in the sphere of party building, the tendency to neglect ideological and political work means neglecting education among party members.

Seeing that the 12th congress documents stress ideological and political work, the construction of socialist spiritual civilization and the education among party members, some cadres have put forward the question of "policy and education, which is more powerful"? What they mean is that since we have the policies of enlivening the economy at home and opening to the outside world and the various policies related to politics, culture, education and cadres, it is enough to rely on giving play to the force of these policies and there is no need to stress ideological and political work or education among party members. This is, of course, an incorrect view. Indeed, correct policies are powerful. However, the implementation of these policies depends on the ideological and political work publicizing and explaining these policies. This is the first point. The second is that ideological and political work shoulders an even more important task than publicizing the current policies. This task is to train people to foster communist ideology. Comrade Mao Zedong said that political work is the lifeline of all economic work. The political work he meant here is ideological and political work that is also very powerful. Both the view of regarding policies as being so powerful as to enable us to dispense with ideological and political work and that of regarding ideological and political work as being so powerful as to enable us to dispense with policies are one-sided views. We suffered quite a lot in the past because of these two one-sided views. Now we must be vigilantly on our guard against them. There has been yet another view that holds that ideological and political work is weak by nature and therefore we cannot rouse people to pay attention to it in spite of our emphasis on it. This, in fact, misunderstands ideological and political work. Comrade Zhou Enlai once sharply criticized the practice of looking down upon ideological and political work. He said: "It is never a fault of the political work itself that our political work becomes empty talk. The blame lies in our political workers' failure to carry out genuine revolutionary political work." ("Selected Works of Zhou Enlai," Vol 1, p 93) This has made a point for us that our cadres should not only pay attention to ideological and political work and to the education among our party members, but should also learn to be good at doing this work and do this work very effectively. Have we not said that we should "strike a chord in people's hearts"? When our ideological and political work and our education among party members can strike a chord in people's hearts, this work and education can be regarded as highly effective.

The report to the 12th party congress points out that the construction of socialist spiritual civilization relies on four contingents: the contingents of ideological and political workers, cultural workers, scientific workers and educational workers. The education among the party members relies mainly on the contingent of ideological and political workers. According to a rough calculation, this contingent consists of more than 3 million people. This is quite a large number, but the trouble is the insufficient political quality of this contingent. The responsible comrade of the Heilongjiang Provincial CPC Committee has gone down to investigate the situation. He has found that some party committee secretaries could speak quite a lot about the production, but could not give any clear idea about political work or education among party members. He called these comrades "directors of factories in the true sense, but false secretaries." I think that this is a reasonable criticism. Of course, a director of a factory should also do ideological and political work. It will not do for a "director in its true sense" to fail to do ideological and political work. It seems that some people have a few muddled ideas on the problem of being professionally competent. Originally, our advocation of being professionally competent meant that our cadres should be experts in their jobs. This means that those who take charge of management should be management experts, those who undertake horticulture should be expert horticulturists, those who engage in education should be education experts and those who do ideological and political work should be expert ideological and political workers.

If a secretary of a party committee or a director of the propaganda or organization department does not understand the basic theory of Marxism-Leninism-Mao Zedong Thought, is not familiar with the history of the party, does not have basic knowledge about the party, does not know how to talk with the masses, give party lectures or do ideological and political work, he cannot be regarded as being professionally competent. This should be included in future evaluation regulations. We should gradually form an idea that ideological and political work and the work of education among party members is a type of science. It is a science for running the party and the state. The millions of cadres holding posts in this work should strive to become versed in this science, and thus a large number of them will become experts in doing ideological and political work and will be able to fulfill the task assigned them in the new period.

The idea that the key to the implementation lies in cadres has another even more important implication, that is, our cadres must take the lead in observing and implementing the new party constitution. For a long time, some of our comrades had a kind of erroneous idea. It seemed to them that the ideological and political work meant only how to educate the masses and it seldom struck them that this also meant that leading cadres must first of all receive education. This had already been made very clear in Comrade

Yaobang's article entitled "On the Problem Related to Ideological and Political Work." We must correct this erroneous idea. In the northeast, there is a county called Sunwu County where a loud cry for changing the party work style was raised for a long time. But no substantial results were achieved. Later, the criticism of the masses made the comrades of the county CPC committee see their errors. The masses said that the committee spoke loudly about changing the party work style, but it was "anxious only in words and slack in deeds and it only blew the bugle but never began its march a step forward." In accordance with the masses' criticism, the county CPC committee first rectified itself. It sorted out and corrected one by one all the unhealthy practices of the leading group of the committee in the past few years, including using public funds to give banquets, embezzling public property and shifting the rural residence register of their relatives into nonrural residence registers. The committee published all this, making the news available to the whole county. The leadership disclosed without reserve to the masses all its unhealthy practices and how these practices were being corrected and requested the lower levels and the masses to supervise it. This showed a Marxist's breadth of vision and was also the best method for education. By doing this, the leadership, in fact, called on the lower levels and the masses as if saying "I have corrected my errors, now what are you going to do?" However, this time the call was no longer given in vain because it was not a call criticized by the masses for being loud in words but slack in deeds. This method is very effective. Now in Sunwu County, a new situation in party work style and the general mood of the people has already emerged.

Some comrades who have studied the ideological and political work have given the following viewpoint: The argument that can teach people is half formed by words and half formed by deeds. I think that this is a correct viewpoint and it conforms to the argument that those who educate others in Marxism must themselves receive education first. If an educator acts in a way different from what he orally advocates, he criticizes the people from the platform, but is criticized by them behind his back, what right does he have to teach the others? Here I should furthermore mention that the cadres whom we regarded as being the key to the implementation of the party constitution are not only the cadres in charge of ideological and political work, but are also all the cadres, especially the leading cadres of the party at all levels. In July this year, the Shanghai Municipal CPC Committee held a forum of fine party members. At this forum, Comrade Ding Shie, a well-known Shanghai opera actress, presented a very moving idea. She said: "First, I must treat myself as a party member and I should not treat myself as being an artist first," thus I will be able to overcome the tendency of treating myself as being special and becoming self-important. Here, she has put forth a very poignant question: Should our party members who are engaged in theoretical, educational, scientific and technical or literary and art work, or who hold leading posts, treat themselves first as being party members or first as being experts, well-known personages or leading cadres? Indeed, this question is worth the deep consideration of some of our comrades. In this activity of education in the new party constitution that is being carried out throughout our party, we should remind those comrades who do not observe the party constitution and disregard party discipline that the criteria for a "qualified party member" is the same for any party member and that our party welcomes those of its members who are brave to correct the mistakes they have committed, but will not allow any special party members, who cling to refusing to implement the party constitution, to remain in the organization of the pioneers of the proletariat.

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SAFEGUARD THE CONSTITUTION'S DIGNITY, ENSURE ITS ENFORCEMENT

Beijing RED FLAG in Chinese No 24, 16 Dec 82 pp 17-18, 33

[Editorial]

[Text] Being deliberated and approved by the Fifth Session of the Fifth NPC, the Constitution of the PRC has been officially promulgated. This is a great event in the Chinese people's political life. This is another great achievement in the building of a high degree of socialist democracy and a high level of socialist civilization, with things being set to rights since the 3d Plenary Session of the 11th CPC Central Committee. The new constitution has won the warm support of the people of all nationalities throughout the country. Its enforcement will inevitably guarantee the further consolidation of the political situation in China, guarantee the development of socialist democracy and the improvement of the socialist legal system, and guarantee the smooth development of our socialist modernization.

By carrying forward and developing the basic principles of the 1954 constitution and overcoming the drawbacks of the 1978 constitution, the new constitution has summed up the rich experiences of developing socialism in China over the past 30 years and more and has concentrated the will of the people of all nationalities. Both the current situations and future prospects have been taken into account in the new constitution. It is really a Chinese-style constitution that tallies with the needs of socialist modernization in the new historical period and it will remain unchanged for a long time to come. The new constitution adheres to the socialist road, the people's democratic dictatorship, the leadership of the CPC and Marxism-Leninism-Mao Zedong Thought. It is formulated with the four basic principles as the general guideline. It prescribes the general task in the new historical period and lays down principled stipulations on China's system of the people's democratic dictatorship, the socialist economic system, socialist spiritual civilization, the fundamental rights and duties of citizens, the state structure, the unifying of the nation and the unity of nationalities and the independent foreign policy. For example, the restoration in the new constitution of the formulation that China is a socialist state under the people's democratic dictatorship is not a simple restoration of the formulation and its contents in the 1954 constitution; instead, it accurately states the present condition of the classes in China and the broad basis of our political power. It truly reflects the fact that a socialist economic system has been established in our country and that it is growing ever stronger, affirms socialist public ownership of the means of production as the basis of our socialist economic system and the individual economy of the working people in urban and rural areas as a complement to the socialist public economy, and also stipulates that the planned economy should play a dominant role while the supplementary role of regulation by market mechanism should also be brought into play. It restores the principle of the 1954 constitution that all citizens are equal before the law and stipulates citizens' fundamental freedoms and rights as well as their basic duties to the state and society. All contents and stipulations in the new constitution reflect the achievements in the work of setting things to rights since the 3d Plenary Session of the 11th CPC Central Committee, represent the fundamental interests of the people and embody the uniformity of the party's decisions and the people's will. Thus, they are in conformity with our country's conditions and people's wishes. The new constitution is a good statute for administering our country in the new period. It is the state's fundamental law, which has the highest legal authority, and functions as the foundation for general legislation. Thus, its legal authority is higher than other laws. As Comrade Ye Jianying pointed out in his speech at the closing meeting of the NPC session, the promulgation and enforcement of the new constitution will certainly push the building of our socialist democracy and legal system to a new phase and will certainly push our modernization construction to a new stage.

It was through more than 2 years of work under the guidance of the party's correct line and through the nationwide discussion which pooled the wisdom of the masses that the new constitution was formulated in a time when our country was experiencing a great historical change. The course of formulating the new constitution was in fact a course in which the people of all nationalities fully exercised their democratic rights. Ours is a socialist state under the people's democratic dictatorship, led by the working class and based on the alliance of workers and peasants. The workers, peasants and intellectuals constitute the three basic social forces and are the masters of the country. All power in our country belongs to the people. The organs through which the people exercise state power are the NPC and the local people's congresses at different levels. The people administer state affairs and manage economic, cultural and social affairs through various channels and in various ways in accordance with the law. The people not only have the right to participate in the discussion and formulation of the nation's fundamental law, but also have the right to supervise its enforcement. This is a fundamental sign of socialist democracy. Our socialist democracy is enjoyed by most people and is characterized by the people being the masters of the country. Thus, it is a high degree of democracy. The bourgeois democracy can never compare with it.

Once being promulgated, the new constitution came into effect; it now has a universal binding force. The new constitution stipulated: "The people of all nationalities, all state organs, the armed forces, all political parties and public organizations and all enterprises and undertakings in the country must take the constitution as the basic norm of conduct, and they have the duty to uphold the dignity of the constitution and ensure its implementation." This is to say, all political parties and organizations, all departments and units, all groups and individuals should resolutely act in accordance with the constitution and no person is allowed to violate it. The NPC and its Standing Committee have the function and power to supervise the enforcement of the constitution; local people's congresses at all levels have also the function and power to guarantee that the constitution is abided by and implemented in their respective administrative areas. It should be noted that there are now many favorable conditions for the enforcement of the new constitution. Our party has successfully completed its task of setting the guiding ideology to rights. Developing socialist democracy and perfecting the socialist legal system are our party's unswerving principles. After drawing a deep lesson from the 10 years of domestic turmoil, the party and the people have all realized the great importance of the constitution and other laws in maintaining our nation's unity and stability and in the development of our cause. Through the propaganda work and education in the socialist legal system in recent years, the vast number of cadres and masses have been strengthening their awareness of the legal system. If all our 1 billion people have the idea and habit of abiding by and safeguarding the constitution, this will constitute a huge strength. All kinds of obstructions will inevitably be overpowered by this strength. We should have full confidence that the new constitution can be complied with and implemented well.

To effectively guarantee the implementation of the new constitution, we must do a good job in three areas, namely, making it known to everybody, abiding by it and safeguarding it. To make it known to everybody, we must do a great deal of propaganda and education work in a planned, methodical and systematic way so as to let the masses understand the constitution. Party committees at all levels should take the propaganda and education work in this field as a matter of importance. In general, the people in our country, including cadres at all levels, are less aware of laws and legal knowledge. This is particularly the case for the vast number of youths. Now we should strengthen education in the legal system through the study and publicity of the new constitution. Leading cadres should take the lead in the study and should personally explain the constitution to other cadres and the masses. It is necessary, through all kinds of media and means of propaganda, to publicize the principled spirit and specific stipulations of the new constitution and to make them known to every household so that the new constitution can strike root in the hearts of the people. Through propaganda and education, we should improve cadres' and the masses' sense of responsibility in being masters and strengthen their awareness of the socialist legal system so that cadres and the masses can all consciously comply with the new constitution and guide their actions with it, thus being citizens who have lofty ideals, moral integrity, education and a sense of discipline.

Abiding by the constitution is the sacred duty of every citizen. Party organizations, leading cadres and all party members must abide by the new constitution and be the models of implementing the new constitution. A qualified party member or cadre must first be a qualified citizen or a model citizen. Our party is the party in power. It not only leads the people in formulating the constitution, but also leads the people in putting the constitution into effect. Only when the party requires its organizations at all levels and all its members, and particularly leading cadres, to set examples with their own conduct and play an exemplary role in complying with the new constitution can other social organizations and the masses be required to follow suit in complying with the new constitution. Cadres in our party and state, no matter in what positions they are situated, should never regard themselves as special citizens who need not confine their conduct within the limits of the constitution and laws, still less can they utilize their functions and powers to seek private interests for themselves or to gain profit for themselves by bending the law. The whole party must follow the stipulation in the new party constitution that its activities must be carried out within the limits of the constitution and laws. People's governments and judicial departments at all levels must act strictly according to law and ensure the enforcement of the new constitution.

By safeguarding the constitution we mean that we must safeguard its dignity and dare to struggle against all illegal and criminal activities. We should cultivate a prevailing custom that people always dare to protect good people and good things and dare to oppose evil people and evil things. We should create a strong public opinion that abiding by discipline and law is the most glorious thing while violating law and committing crimes is the most ignominious thing. We should encourage the revolutionary spirit of not hesitating to dedicate one's life to safeguarding the dignity of the constitution. All fronts should energetically commend and support good people and good deeds that consciously comply with the constitution, guard state secrets, cherish public property, abide by labor discipline and public order, respect social morality and resolutely struggle against evil people and evil things. People who disregard law and discipline and sabotage the socialist legal system should be exposed and punished. In particular, we must expose and crack down on the hostile forces that undermine the socialist cause. All actions in violation of the constitution and other laws must be dealt with according to state law. No lawbreakers should be allowed to escape the net of justice.

Every one of us must understand that the people are the masters of our country and society and that the constitution is the fundamental norm for the people to exercise their duty as the masters. According to the constitution, no persons in our country can be free from being supervised by other people and no person can give up his duty of supervising others. This represents both the right and the duty of being a master. Every one of us should fully exercise this right and faithfully carry out this duty, being both a model in abiding by law and a brave fighter in defending law, so that we can certainly ensure the thorough implementation of the constitution.

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A PLAN TO LAUNCH THE NATIONAL ECONOMY ON A PATH OF HEALTHY DEVELOPMENT--ON THE CHARACTERISTICS OF THE SIXTH 5-YEAR PLAN

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[Article by Fang Weizhong [2075 4850 0022]; passages within slantlines published in boldface]

[Text] The Sixth 5-Year Plan for China's economic and social development has been examined and approved by the Fifth Session of the Fifth NPC. It is thus the second quite well-conceived 5-year plan following the First 5-Year Plan, a plan which is fairly comprehensive in content and relatively appropriate in target terms.

Since the carrying out of our economic construction in a planned way in 1953, China has executed five 5-year plans altogether. Except the First 5-Year Plan which had a fairly comprehensive plan and was successfully fulfilled, the remaining four 5-year plans had merely suggested quotas or plan outlines and moreover, due to the impact of the "Great Leap Forward" movement or damage during the decade of domestic turmoil of the "Great Cultural Revolution," coupled with the influence of "leftist" thinking, some of the plans characterized by impetuosity and rashness and excessively high targets failed to be smoothly implemented and even brought about serious setbacks to the development of the national economy. The Sixth 5-Year Plan has appeared before the people with a brandnew look. It is characterized not only by its comprehensive contents but still more by its unique style, that is, it has conscientiously summed up the positive and negative experience of the prolonged economic construction in the past, embodied the strategic plan for the economic development in the coming 20 years charted by the 12th party congress and the new principle for developing the national economy defined by the Fourth Session of the Fifth NPC and taken a new path of socialist modernization.

The report on the Sixth 5-Year Plan delivered by Premier Zhao Ziyang at the Fifth Session of the Fifth NPC profoundly expounds the basic tasks of the Sixth 5-Year Plan, sums up the implementation of the Sixth 5-Year Plan in the first 2 years and formulates the key measures for the overall fulfillment of the Sixth 5-Year Plan. This report indicates that the plan is a well-conceived and worthwhile one based on actual conditions under which production targets will be carried out in an orderly manner and step by step and that the measures adopted to fulfill this plan are geared to actual circumstances and are firm and effective. This report substantiates and enriches some correct principles formulated in the past and significantly subjectivizes them, thus bringing the people of the whole country tremendous confidence and power to fulfill this plan.

Such being the case, in what aspects do the characteristics of the Sixth 5-Year Plan find expression?

/First, decide the plan targets in accordance with the existing conditions rather than by wishful thinking./

In the previous five 5-year plans, some targets were decided by wishful thinking, not in accordance with existing conditions. The gross error of the "10-year program" formulated in 1978 was that the tasks of the plan were incorrectly defined. Just when there were serious disproportions in the national economy and life was extremely difficult for the people due to damage during the decade of the "Great Cultural Revolution," readjusting the economy and allowing the people to rest and build strength should have been decided as the principal tasks of the plan but at that time, ignoring this basic situation and proceeding from wishful thinking, some people demanded that a new leap forward should be organized. This resulted adversely in worsened imbalances in the economy and the aggravated difficulties in economic life, and alterations of the original plans had to be made.

The reformulation of the Sixth 5-Year Plan started with a serious analysis of the economic situation. The CPC Central Committee and the State Council have repeatedly pointed out that thanks to the endeavors to bring order out of chaos since the 3d Plenary Session of the 11th CPC Central Committee and the economic readjustment carried out in 1979, great achievements have been scored in various aspects. However, longstanding accumulated problems cannot be completely solved in a brief space of time. Since no fundamental turn for the better has been achieved in the state's financial and economic situation, the task of the Sixth 5-Year Plan is therefore to continue to implement the policy of readjustment, restructuring, reorganization and upgrading, make further efforts to seek solutions to the various problems left over from the past which hamper economic growth, win decisive victory in achieving a fundamental turn for the better in the financial and economic situation and lay a better foundation or create more favorable conditions for economic and social development in the Seventh 5-Year Plan. This formulation of basic tasks is entirely in conformity with the present economic conditions and with the objective law of economic development.

By mentioning that the longstanding accumulated problems have not been completely solved and no fundamental turn for the better has been achieved in the financial and economic situation, we mainly refer to the following facts: No fundamental turn for the better has been achieved in the fairly irrational enterprise organizational structure and in the chaotic situation in operation and management; there exist a variety of problems in industrial structures and product mix; economic results are still very poor in such fields as production, construction and circulation and the waste is quite amazing. All this has resulted in the fact that under a situation in which the state has greatly increased its expenditure on the improvement of the well-being of the people, state financial revenue has increased slowly or even decreased due to poor economic results, which has made it hard to strike a balance between state financial revenue and expenditure. Therefore, in order to achieve a fundamental turn for the better in the financial and economic situation, that is, to achieve a balance between financial revenue and expenditure on condition of ensuring a gradual increase in the funds for economic and social development and a gradual improvement in the people's living standards, we must conscientiously carry out the overall reorganization of existing enterprises, gradually rationalize the industrial structure, the product mix and the enterprise organizational structure, and continue to reform the economic administrative system in an orderly manner so as to achieve a marked improvement in the economic results of such fields as production, construction and circulation. All these tasks cannot be accomplished altogether during the Sixth 5-Year Plan period but various measures should be adopted to make some significant headway in these fields and to win a decisive victory in achieving a fundamental turn for the better in the financial and economic situation. Practice has proved that doing a good job in the readjustment and reorganization of existing enterprises and in the restructuring of the economic administrative system, eradicating the various malpractices existing in the economy, harmonizing proportionate relations and putting the relationships of the various quarters and sides concerned in proper order can yield good results and bring about high speed. This is the best preparation we should make for the economic development during and after the Seventh 5-Year Plan period. If we do not concentrate our efforts on this matter and the features of operations and management remain unchanged, to accelerate the development of the economy is fundamentally out of the question. On the contrary, the financial and economic difficulties will go further from bad to worse.

Of course, to lay a sound foundation and create conditions for economic development during and after the Seventh 5-Year Plan period, a lot of work should be done in material conditions, science and technology and in the training of qualified personnel. If we fail to pay close attention to the work in these fields, it will also be impossible to speed up the development of the economy.

Continuing the implementation of the policy of readjustment, restructuring, reorganization and upgrading is a matter of overall importance which has a bearing on whether or not we can, in the 1980's, lay a sound foundation for the economic rejuvenation in the 1990's. The Sixth 5-Year Plan, with the continued implementation of this policy as its basic task, has thus seized the principal contradiction and the main tasks. In this matter we must preserve a high level of political consciousness and strictness and carry it out with great attention and in a down-to-earth manner.

/Second, with the improvement of economic results as the center, strive for a steady increase in the economy./

The biggest disaster we suffered in the prolonged economic construction in the past was caused by the policy of concentrating on the growth rate of output and output value and on high targets at the expense of economic results. We suffered in 1956; we suffered a great loss during 1958 and 1960; and we again suffered quite a few disasters over a long period of time after 1970. In order to realize unrealistic targets, we had to work out a high rate of development. Excessively high targets would invariably give rise to all sorts of problems and result in more haste, less speed. They can seriously dampen the initiative of the masses of the people rather than arouse and protect the enthusiasm of the masses of the people for labor.

In the course of drawing up the Sixth 5-Year Plan, the CPC Central Committee and the State Council advanced an important principle, that is, we should not seek high goals in economic affairs any longer, and pointed out that the growth rate for the Sixth 5-Year Plan should be a growth rate devoid of exaggeration but with staying power; an active growth rate which allows some leeway; and a growth rate which has as its prerequisite the attainment of better economic results rather than vice versa.

The growth rate devoid of exaggeration we have mentioned here demands that targets should be practical and reliable, product quality should be up to standard, product varieties and designs should meet the needs of society, the consumption of materials per unit-product should be substantially reduced and that we must not indulge in exaggeration and not concentrate on speed at the expense of product quality, material consumption and product marketability. Such practices are bound to lead to the emergence of the phenomenon whereby "in industry, good news is announced while in commerce, bad news; in warehouses, there is overstocking while in finance, there are only nominal increases" and must not strive for undeserved reputation, a practice which invites real harm.

The so-called active plan which allows some leeway demands that the various departments and localities should make energetic efforts to tap potential, devote a lot of energy and effort to improving quality and reducing consumption, and increase production while practicing economy rather than accept the status quo and drift along. Once a plan target is worked out, we must guarantee its fulfillment and strive to exceed it in its implementation. A growth rate devoid of exaggeration which allows some leeway means a growth rate with staying power. So long as quality is really improved and consumption reduced, a benign cycle will take shape and a steady increase will be achieved in industrial production.

The "Sixth 5-Year Plan" stipulates that industrial and agricultural production will increase at an average annual rate of 4 percent and that efforts should be made to bring the figure up to 5 percent in the course of carrying out the plan. This is a good embodiment of the above-mentioned principle. It is a growth rate which lays emphasis on better economic results and strives for higher efficiency rather than a growth rate which blindly strives for increases in output and output value at the expense of economic results. Considerable efforts will have to be made to attain this plan and a marked improvement in economic and technical targets is a must in this respect. For example, during the Sixth 5-Year Plan the average annual growth rate of energy will be 1.4 percent and the growth rate of industry will be 4 or 5 percent. This demands that the energy consumption rate in industry must reach 2.6 to 3.5 percent a year. This plan gives full consideration to the various possibilities and can be attained so long as efforts are exerted. The results of the carrying out of the 1980 and 1981 plans surpassed their scheduled requirements. This has proved that this plan is appropriate.

The 12th party congress demands that the whole of economic work should be shifted to the path with the attainment of better economic results as its center. To meet this demand is not an easy job and a lot of painstaking and meticulous work should be done in this respect. However, we must act as required by the party Central Committee and first bring about a serious change in our guiding ideology and set strict demands on ourselves in our practical work.

/Third, exercise strict control over the volume of total investment in fixed assets, concentrate funds, hasten the completion of key development projects and actively promote the technical transformation of existing enterprises./

Historical experience has indicated that high targets invariably cause overextension of the scale of our capital construction. Blindly undertaking new construction stalls and going in for starting more new projects regardless of building costs and construction cycles is the most serious malpractice which has existed for a long time in our capital construction. The several major setbacks which have occurred in our economic construction since the founding of the PRC are all closely related, economically, with the extension of the scale of our capital construction. Capital construction projects sprang up all over the country in 1958 and we repeated this mistake by rushing without forethought into a lot of capital construction several times after 197C.

Overextended and excessive capital construction and too many construction projects have brought about dire consequences in two aspects: On the one hand, many construction projects were started in haste due to lack of proper prior preparations and all kinds of problems emerged in the process of construction; as a result, construction projects had to be carried out in an intermittent manner, with their designs being revised while construction was under way. Many production projects had to stop working awaiting the supply of raw materials from lack of material and equipment supply. As a result, huge amounts of funds and materials were overstocked in the process of capital construction and failed to come into play as soon as possible. On the other hand, many funds including the renewal and transformation funds of enterprises were diverted to capital construction. As a result, the equipment of large numbers of enterprises failed to be updated and their technology failed to be transformed, their equipment became worn out and useless and labor productivity was decreasing day by day. This state of affairs has brought about a vicious circle: The more new construction projects were undertaken, the more serious the damage to old construction projects would be. The more often people failed to speed up the production of old enterprises, the more anxiously they wanted to extend the scale of production and in addition, the larger the scale of production, the poorer the returns from investment would be. Cutting flesh to cure a boil can only make both sides suffer. The overextension of the scale of capital construction caused disproportions in the national economy, interrupted the balances of the national economy, interfered with the smooth progress of existing production and affected the commodity supply on the market. While it was proved hard to sustain any longer, some readjustments had to be carried out and large batches of projects had to be suspended or discontinued. Capital construction has suffered grievous losses from this kind of large-scale construction and discontinuation.

While drawing up the Sixth 5-Year Plan, the CPC Central Committee and the State Council have time and again stressed that we should not repeat this mistake and demanded that we should resolutely curtail the total volume of investment in capital construction so as to make it correspond with national capabilities and at the same time, the funds for the renewal and transformation of enterprises should be increased. The total volume of investment in the whole fixed assets should be put under the unified management of the State Planning Commission, that is to say, we must ensure investment in key energy and transport projects on the one hand and in technical transformation of existing enterprises on the other and resolutely slash ill-considered projects launched so as to increase the capacity of the ordinary processing industries. In light of this spirit and in accordance with the plan, the total investment in capital construction throughout the country in the 5 years will be 230 billion yuan of which the state-budgeted investment will be 118.2 billion yuan, constituting 20 percent of the total state expenditure. This is very much lower than the 35 percent in the "Fifth 5-Year Plan" period. Altogether 890 large and medium-sized projects will be undertaken in these 5 years--far fewer than during the previous 5-year period. Funds earmarked for updating equipment in the existing enterprises and for their technical transformation are more than during the previous 5-year period, amounting to 130 billion yuan in the 5 years and averaging 26 billion yuan a year. The proportion of such funds in the total investment in fixed assets is increased from the previous about 20 percent to 36 percent in the Sixth 5-Year Plan.

Of the total volume of investment in capital construction in the 5 years, the investment in energy and transport projects will be 88.4 billion yuan, accounting for 38.5 percent. With the increased investment in these aspects, the capacity of construction of coal, electricity, petroleum, railway and water transport will also increase. For example, the total production capacity of China's coal industry in the 5 years will be 220 million tons and in addition to a production capacity of 80 million tons to be made available before the end of 1985, the production capacity to be carried forward into the Seventh 5-Year Plan will be 140 million tons. This figure is almost 70 percent higher than the production capacity of 83 million tons which was achieved by the end of 1980 to be carried forward into the Sixth 5-Year Plan. The total electric power in the 5 years will be 36.6 million kw. Of this figure, 12.9 million kw will be available before the end of 1985, while work on the remaining 23.7 million kw will continue in the "Seventh 5-Year Plan" period. This figure is bigger than the electric power capacity of 184 million kw which was closed in the end of 1980 and to be continued in the "Sixth 5-Year Plan." The exploration of oil in the western regions of the country and the exploration of offshore oil will be speeded up. In communications and transport, on the one hand, the technical transformation of some of the present railways must be accelerated and on the other, several new major trunk railways for transporting coal and additional deepwater berths of coastal harbors will be constructed. Completion of these tasks will provide the development of the national economy with better energy and transport conditions.

Seen from China's financial and material resources, the total volume of investment of the "Sixth 5-Year Plan" is by no means small, and in particular quite a few medium and large-sized projects have been scheduled. Putting these investments to effective control and use can play a great role. We must learn from the lessons in the past, concentrate strength on doing a good job in the construction of the projects within the plan, strive to shorten production cycle, cut down building costs and thoroughly put an end to the phenomenon in the past whereby construction was undertaken in so blind and unplanned way that "making an investment became a bottomless pit and construction projects were carried out in a marathon manner."

Renewal and transformation funds must also be put to effective control and use and be really used in updating old equipment and adopting new technologies and new techniques rather than using them in expanding the production capacity of ordinary industries with old techniques. In order to enhance the existing enterprises' capacity to renovate and transform, the State Council has decided that in light of the possibilities of the state financial strength, the depreciation rate of the equipment of enterprises should be steadily increased.

Whether or not the scale of investment in fixed assets during the "Sixth 5-Year Plan" period can be brought to a rational level and whether or not key development projects and major technical transformation can be ensured as required have a bearing on the success and failure of the "Sixth 5-Year Plan" and on whether or not the national economy can increase in a sustained way on the basis of steady growth. Therefore, we must pay strict attention to management in this aspect and not slacken our vigilance or treat it casually. Once the situation is improving, on no account must we "have a relapse."

/Fourth, put science and technology and the training of qualified personnel in an important strategic position./

In the previous several 5-year plans, no proper importance was ever attached to the development of science and technology and the training of qualified personnel. The expansion of production depended mainly on extending the scale of production and on undertaking capital construction rather than depending mainly on technological advance; work in science and technology was not sufficiently combined with economic construction. Educational undertakings made slow progress and the level of the education the people have received and of science and technology and culture was remarkably low. This resulted in a situation in which the level of our production techniques had been in a stalemate for a long time and our work in many aspects still remained at the levels of the 1950's.

In the course of drawing up the Sixth 5-Year Plan, the CPC Central Committee and the State Council demanded that science and technology and the training of qualified personnel should be placed in a strategic position. The modernization of science and technology is a key link in our four modernizations. If we do not lay stress on the study of science and technology or promote technological progress, we cannot possibly realize the task of quadrupling the annual gross value of industrial and agricultural production by the turn of this century or narrow the gap in science and technology between ourselves and the economically developed countries. Moreover, the development of science and technology depends, in the final analysis, on training qualified personnel and on fully organizing the present scientific and technical force and bringing their initiative into full play. Therefore, particular importance should be attached to educational work and to the training and rational use of qualified personnel.

The Sixth 5-Year Plan has begun to pay attention to putting the development of science and technology and education in an important position. The funds scheduled by the plan for developing education, science and technology, culture and public services will be 96.7 billion yuan, an increase of 68 percent over the 57.7 billion yuan appropriated in the Fifth 5-Year Plan. The total state expenditure during this period will be only 17 percent more than that during the "Fifth 5-Year Plan." The proportion of these funds in total state expenditure will increase from 11 percent during the "Fifth 5-Year Plan" period to 15.9 percent. A large portion of the increased financial revenue during the Sixth 5-Year Plan period will be appropriated for education and scientific research. Because the problems left over from the past are many, the funds allocated for these undertakings now are admittedly insufficient, but appropriations for these undertakings will gradually increase along with the future growth of our economy.

In science and technology, the present scientific and technical force should, under the Sixth 5-Year Plan, be rallied to take part in all planning work, in tackling key problems in the major theoretical problems raised in the course of the modernization program and in the techno-economic deliberations and prospecting and designing of major construction projects. We must create a situation in these aspects and strive for useful achievements. Along with this, we must, in light of the technical transformation of enterprises, introduce from abroad a large batch of advanced production techniques and key equipment in a planned way and enthusiastically do a good job of digestion and assimilation work.

While energetically expanding research in the natural sciences, we should also attach importance to studies in the social sciences. We should do our best to expound and solve the major theoretical and practical problems raised in the course of our socialist modernization.

In the training of qualified personnel, it is scheduled according to the plan that on the premise of improving quality, we should develop higher education and increase the number of newly admitted full-time students in institutions of higher education, continue to restructure secondary education and set up more new secondary vocational schools of different types. We should strive to make primary school education universal or almost universal by 1985 in most counties and to make junior middle school education universal in the cities and vigorously eliminate illiteracy among young and middle-aged people.

In order to raise the ideological and political level and the level of modern science and technology and production skills of the broad masses of cadres, technical personnel and workers, we will widely run various kinds of regular universities and colleges, regular schools and training courses in rotation so as to put the education of staff and workers on a regular basis in a relatively short time.

Putting science and technology and the training of qualified personnel in an important strategic position is a remarkable change in the state's guiding ideology in economic construction. We must realize the great significance of such a change and make energetic efforts to adapt ourselves to such a change, achieve genuine unity in thinking and put it into practice in real earnest.

/Fifth, combine development of the national economy with social development and pay attention to both the building of material civilization and that of spiritual civilization./

Our plan in the past was mainly a development plan of the national economy. Although it contained the content of social development, the latter was quite incomplete and furthermore the content of the building of socialist spiritual civilization was insignificant. One important reason for this state of affairs is that there existed a serious one-sidedness in our guiding thinking; that is, we excessively chased the rate of increase of production and construction at the expense of the improvement of the well-being of the people and the solution to social problems; we attached great importance to the planning of material production to the neglect of the planning of the production of man and the rational use of manpower; and we devoted much attention to the building of material civilization but underestimated the importance of the building of spiritual civilization and more and more social problems piled up as a result.

In the course of drawing up the Sixth 5-Year Plan, the CPC Central Committee and the State Council instructed that we should bring social development into line with the plan, correct the erroneous idea of underrating the importance of cultural development and ideological education and give consideration to creating fine standards of social conduct. Economic growth is indispensable to social development. Otherwise, it will become aimless and lose its social guarantee. Material civilization provides an indispensable foundation for socialist spiritual civilization which, in its turn, gives a tremendous impetus to the former and ensures its correct orientation. In all economic work, we must not only give consideration to the expansion of production but also to the building of socialist spiritual civilization, and to the bringing up of generation after generation of socialist new people. With the establishment of the socialist system, we already have the possibility to and still must develop social production in a planned way and at the same time, promote social development and build spiritual civilization in a planned way. The Sixth 5-Year Plan has changed the tendency of not attaching importance to social development planning. This is a great change and a big step forward.

The part on social development in the Sixth 5-Year Plan includes plans for population, labor employment, the income and consumption of the residents in urban and rural areas, urban and rural construction and social welfare undertakings, cultural undertakings, public health and physical culture, environmental protection and preserving good public order. At the same time, it demands that in the various economic construction undertakings, we should strengthen ideological education so that more and more staff and workers will become working people with lofty ideals, moral integrity, education and a sense of discipline, overcome all sorts of unhealthy practices, strike resolute blows at the serious criminal activities in the economic and other spheres and at other serious criminal activities and create a general improvement in public order and order in production and other work for the realization of the Sixth 5-Year Plan.

From the above-mentioned contents we can see that the Sixth 5-Year Plan is a 5-year plan which continues the implementation of the policy of readjustment, restructuring, reorganization and upgrading and launches the national economy on a path of healthy development and a 5-year plan which takes a new path of socialist modernization in light of China's existing conditions. This is the result of bringing order out of chaos since the 3d Plenary Session of the 11th CPC Central Committee and the crystallization of implementing the party's practical and realistic line. Earnest implementation of this 5-year plan will significantly raise the level of the whole of economic work, help the national economy steadily grow in the course of readjustment, help the modernization program move forward a step further and help continue to improve the people's livelihood. Provided we successfully fulfill the Sixth 5-Year Plan, we can be certain that the growth rate for the Seventh 5-Year Plan will be higher than that of the Sixth 5-Year Plan. Proceeding from this basis, the growth rate for the eighth and ninth 5-year periods is certain to be still higher. In this way, we will have the possibility of realizing the magnificent objective of quadrupling the annual gross value of industrial and agricultural production by the end of this century.

Since the 3d Plenary Session of the 11th CPC Central Committee, significant improvements have been achieved in China's planning work. The formulation of the Sixth 5-Year Plan has made a degree of progress in many aspects compared with the previous ones. However, this is only a beginning. Owing to the complexity of economic life and the restriction of the level of planning work, though earnest efforts have been made to conduct investigation and study and to achieve an overall balance in preparing the plan, there may be points needing further deliberation, which will be readjusted as required and handled properly in accordance with concrete conditions in the course of its implementation.

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COMRADE SUN YEFANG'S CONTRIBUTIONS TO ECONOMIC THEORIES

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[Article by He Jianzhang [0149 1696 4545] and Zhang Zhuoyuan [1728 0587 0337]]

[Text] Comrade Sun Yefang is a famous economist in our country. In his theoretical research activities over the past decades and particularly in the past 30 years, he based himself on Marxist basic theory and put forth major questions according to the practice of our socialist construction. He conducted deepgoing and intensive studies, boldly created new things, dared to argue, continually challenged erroneous traditional concepts, and put forward a complete system of socialist economic theory embodying his original views. Particularly noteworthy is that, based on the results of his own scientific research, he has put forward a whole series of bold and richly enlightening suggestions and ideas on the reform of China's financial and economic management systems and on the major problems encountered in the practice of China's socialist construction. Recently, although gravely ill, he has remained greatly concerned for socialist construction, and wrote an excellent article entitled "There Is a Technical and Economic Guarantee as Well as a Political Guarantee for Quadrupling in 20 Years," which dealt with the idea that it is necessary to rely mainly on technical transformation in order to quadruple total industrial and agricultural output value and consequently he was praised by leading comrades from the CPC Central Committee and the State Council.

The theoretical activities of Comrade Sun Yefang have created a good example for the broad masses of theoretical workers in overcoming difficulties and in daring to climb the peak of science. His socialist economic theory is characterized by giving prominence to economic efficiency and it is based on the law of saving time or the law of value as it is termed by him. This theory is opposed to the theory of natural economy and the theory of will but on the other hand it pays very much attention to the important significance of technical progress in developing social production, stresses the importance of the broad masses as masters of their land and advocates that enterprises should play their roles as independent economic accounting units. He began by studying the double nature of products and daringly probed into the question of reforming socialist political economic system from the simple to the complex aspects through analyzing the process of direct production, the process of circulation and the whole process of social production. The following is a brief introduction to the important significance of his economic theoretical views in the implementation of socialist modernization program in our country today.

I. Gaining the Greatest Results From the Least Spending Is the Supreme Principle in Socialist Economic Activities

In early 1960, the sphere of economics was generally subject to the influence of "leftist" ideology. Textbooks of political economy stressed the importance of class struggle with political slogans replacing economic analyses. At the same time, in actual economic life, economic law was replaced by objective will, coupled with making rash advances blindly and giving no consideration to economic efficiency, and all these resulted in serious losses and waste. But Comrade Sun Yefang rose against the tide and put forth his famous concept that the supreme principle in socialist economic activities is to gain the greatest results from the least spending. The Economic Research Institute of the Chinese Academy of Sciences, which was then under his management, followed the directives from the CPC Central Committee and organized all research personnel to compile the book "On Socialist Economy." Disregarding opposition from some people, he insisted that the book must give prominence to the importance of seeking economic efficiency. He said that the textbooks of political economics must pay attention to economy. What is economy? The answer is to gain the greatest achievements with the least spending. We must prove through analyzing the relationship of socialist production that the relation of socialist production is in a better position than capitalism to gain bigger achievements with least spending and consequently to promote the development of the social economy.

Comrade Sun Yefang time and again stressed that political economics must have a value economic category. He sharply criticized a wrong view that "'spare no expense' seems to represent boldness of spirit in carrying out socialist construction." According to his view, under the socialist system, value decision still plays a governing role in the distribution among various forms of production whether in the readjustment of labor time or in social labor. He stressed that it is necessary in a socialist economy to respect the role of the law of value so as to enable the "backward, medium and advanced enterprises constantly to engage in competition for the purpose of decreasing the average labor needed by society" and he said that this is a socialist "broad road for developing production and social prosperity."

But this demand of seeking economic efficiency in all economic activities and the theory of respecting the law of value were termed as being in opposition to putting proletarian politics in command and denying class struggle. During the "Great Cultural Revolution," this concept was even labeled as "counterrevolutionary revisionism." Since the 3d Plenary Session of the 11th CPC Central Committee, the CPC Central Committee has spared no efforts in eradicating "leftist" mistakes both in theory and practice. It demanded that we must take a new road for developing the national economy and the core of this task is to seek economic efficiency in all economic activities. Practice has proved that Comrade Sun Yefang's view of taking economic efficiency as the supreme principle in socialist economic activities is totally correct.

II. Attaching Very Great Importance to Economizing and Making Rational Use of Socialist Capital

It is an actual problem that we lack capital for our socialist modernization program. Therefore the question of economizing and making rational use of limited capital are closely related to the question of whether our construction can be carried out smoothly. As early as the 1950's, Comrade Sun Yefang was aware of the importance of economizing and making rational use of construction funds. He proved this view theoretically and put forth some practical suggestions.

In order to check the results in using the capital, he advocated the use of capital profit rate as a comprehensive norm for checking the results of business and management of enterprises and production costs, and the basis for defining prices of products. This view was put forth during the debate around 1956 on the question of whether the price of heavy industrial products should be decreased or not. He was opposed to a decrease in the price of heavy industrial products on the grounds that although the profit rate of such products was relatively high, the capital profit rate was low. He said: We made tremendous investments in our heavy industrial enterprises with the capital accumulated by the broad masses of workers and peasants throughout the country through their blood and sweat; why cannot these enterprises make profit? To judge the price of products through capital profit rate means that it is imperative to economize and rationally use socialist capital, pay attention to the efficiency of using the capital and to check capital profit rate.

It was once a commonly held wrong view to mix the profit of socialist enterprises with that of capitalist enterprises and oppose paying attention to socialist profit and checking capital profit rate; it was under such conditions that in 1963 Comrade Sun Yefang wrote a research report entitled "The Profit Norm of the Socialist Planned Economic Management System." In this report he advocated that it was imperative, according to state planning, to "define the orientation of production and the relations of coordination, strictly implement supply-production-sales contracts and observe planned prices while the amount of profit represents a comprehensive norm to show the standard of an enterprise's technical level and its business management level. The social average capital profit rate is a level that has to be reached by each enterprise; those that have exceeded this rate are advanced enterprises and those that are lagging behind this rate are backward enterprises."

During the "Great Cultural Revolution," these views of Comrade Sun Yefang were labeled by Kang Sheng, Chen Boda and the "gang of four" as "putting profit in command" and criticized. But he did not make a self-criticism. Following the downfall of the "gang of four," he wrote the first important thesis under the title of "Boldly Grasp Socialist Profit." According to his view, each socialist enterprise must persist in socialist orientation and under the premise of implementing party principles and policies, create more profits through technical reform and improvement of management. He has always advocated that the enterprises with more state capital should have the obligation to hand over more profits to the state. One of the important parts of the current reform of the economic management system in our country is to gradually get rid of the capital supply system and change possession of capital without reward to the one with reward; in defining the prices of various categories of products, it is necessary to consider the funds possessed by these products; encourage enterprises to make more profit for the state and enable them to combine the results of their business, including the amount of profit, with their own economic interest. All these views of Comrade Sun Yefang are of practical significance for us today in reforming the economic management system.

III. Actively Advocating the Reform of the Economic Management System

As early as 1956, Comrade Sun Yefang began to write articles in which he advocated the correct handling of the relationship between the planned economy and the law of value, and the reform of the socialist economic management system. In June 1961, he wrote a research report to the CPC Central Committee for internal reference in which he suggested the position of the system in socialist political economics and pointed out the necessity theoretically of reforming the current economic system and a series of the measures for carrying out the reform.

Comrade Sun Yefang pointed out: The core central issue of the financial system is the autonomy of enterprises, their responsibilities and their relations with the state, and all these mean the management autonomy of the enterprises. According to his view, it is not difficult to solve other problems in the system such as the relations between the central and local governments and the relations between rules and regulations and departments once the autonomy of enterprises is resolved. Following the tortuous path traversed over the past 20 years, we eventually began reforming the economic management system of our country by starting from expanding the autonomy of enterprises and up to today we have made considerable achievements in this aspect through practice. When we recall the above-mentioned views expressed by Comrade Sun Yefang in his research report at that time, we can see even more clearly the value of his views.

Comrade Sun Yefang held that under a socialist system, enterprises must become independent accounting units. Of course, enterprises with the ownership by the whole people only have the right to possess, use and control state finance and the state is the owner of this finance. Therefore the independence of socialist enterprises is relative. But since enterprises are independent accounting units, it is within the rights of the enterprises to sign contracts on supply and sales among themselves, and to discuss the volume of supply and sales and the specifications of products according to the original production orientation and within the original sphere, and the state and localities have no right to interfere with this. Some people worried that with their autonomy expanded, the enterprises would be bent solely on profits. But Comrade Sun Yefang argued and pointed out that when enterprises are able to improve their management and constantly improve their technology, individual labor consumption will be lower than the average necessary labor volume and such benefit is gained mainly through the objective effort of the staff and workers of the enterprises. Therefore we cannot limit such benefit. On the contrary we must encourage it because it is in the interest of improving labor productivity and developing social production.

Comrade Sun Yefang has also defined the theory and the limit of the autonomy of enterprises. Enterprises have "small autonomy" over the management of the capital value of simple reproduction. The state, on the other hand, has "big autonomy" over the capital value of the expansion of reproduction such as investment on new enterprises and the expansion of old enterprises and all these must be put under strict control by the state. If the state includes those matters that should be managed by enterprises under its control, then the control over enterprises will become too rigid; as a result, the state itself will be busily engaged in routine work and it will relax its control over major plans of state long-range construction and comprehensive balance work of the national economy. Contrarily, if the right over the amount of capital value of the expansion of reproduction is totally handed down to enterprises, it will easily give rise to duplicated construction and production and spoil the balanced development of the national economy.

To enable the hundreds of thousands of enterprises to display their initiative and creativity, Comrade Sun Yefang made a series of proposals for reforming the systems of planning, finance, goods and materials and price.

IV. Holding That Doing a Good Job in Circulation Is an Essential Condition for Developing Socialist Socialized Mass Production

Comrade Sun Yefang is the first economist in our country that has been opposed to regarding socialist economy as natural economy. Over the past decades, there existed a wrong view in economic theory and economic practice in our country that regarded the socialist economy as having no process of circulation. In fact, such a "theory of no circulation" advocated the management of the socialist economy with the methods used in managing a self-sufficient economy, a method characterized by a system of rationing of goods and blockading regions from each other. Such a theory seriously hinders the development of production socialization and the development of the production and exchange of socialist commodities. Comrade Sun Yefang pointed out that such a theory confuses the functions of exchange and distribution and attempts to replace exchange with distribution. In fact, without exchange and distribution, there would be no way to develop socialized mass production. At the same time, the "theory of no circulation" confuses the division of technical work within enterprises with social division of work, improperly regards the economy with the ownership by the whole people as a big factory and in this factory in which there exist only division of technical work among various workshops and sections and not social division of work. In fact, the socialist economy with the ownership by the whole people is composed of hundreds of thousands of enterprises with independent accounting and among these enterprises there exists social division of work. If enterprises do not carry out exchange of commodities among themselves, it would not be possible for the whole society to carry out reproduction smoothly.

In the late 1950's and early 1960's, Comrade Sun Yefang pointed out that Volume 1 of "Das Kapital" has more contents than the other two volumes suitable for us today in organizing and managing the socialist economy. It is only recently that this view has been accepted by more comrades and this situation has been proven by the fact that since last year, the broad masses of cadres who are responsible for economic work and theoretical workers have in general begun to study Marxist theory of reproduction.

Comrade Sun Yefang has always opposed the system of rationing and advocated that the circulation of the means of production be included in commerce so that production can be directly linked with sales. According to his view, it is not necessary for state planning bodies and economic management organizations to directly control supplies and sales that should be resolved by the hundreds of thousands of the relatively independent enterprises directly through contracts. The state must control only how to balance the difference. He also held that it is unnecessary to redistribute goods every year. Is it necessary for a husband and wife to hold a wedding ceremony every year? The state work of achieving overall balance must be based on contracts for production, supply and sales made by grassroots enterprises and must be carried out from bottom to top.

According to Comrade Sun Yefang's view, the socialist economy is termed a planned economy because following the introduction of public ownership, the production within each enterprise is carried out in a planned way while the production-supply-sales relations among various enterprises, that is the process of circulation and marketing, are organized in a planned and unified way. Comrade Sun Yefang particularly agreed with the following view of Comrade Liu Shaoqi: Circulation is the most sensitive; all the various problems in production are reflected in circulation and therefore in carrying out the study of economics it is imperative to pay attention to circulation.

At present, a number of problems have cropped up in the activities of the national economy because we did not organize circulation well. There are unsalable products and stockpiling of goods because production is carried out without directly linking it with sales while some other products are also unsalable because of regional blockades; some enterprises have failed to meet demand or have suspended production due to lack of materials, and the service of exclusive business of certain units has also dropped. All these things show that it is an urgent and very important task to solve the problem of socialist circulation by combining theory with practice.

V. Attaching Importance to Technical Progress and the Technical Reform of the Existing Enterprises

Comrade Sun Yefang always advocated the study of the relations of production by relating them to productivity and he was against carrying out the study without connecting it with productivity. He paid very much attention to the role displayed by technical progress in promoting production and its great influence in social economic relations. He held that under the socialist system, there also exist invisible losses and he resolutely opposed the management method over equipment that is characterized by freezing technical progress and "duplicating antiques." He said that enterprises must mainly depend on constantly improving technology in increasing economic efficiency, labor productivity and profits.

Comrade Sun Yefang pointed out that in developing both industry and agriculture, it is necessary to rely on both planning and scientific technology. The task put forth by the 12th party congress to quadruple the annual gross industrial and agricultural output value by the end of this century and particularly the task of industrial departments to more than quadruple their annual gross output value must mainly be grasped through the technical reform of the more than 400,000 existing enterprises. In developing production, we can no longer follow the old road of resorting to capital construction and building new enterprises, nor can we expand productivity on the basis of the original equipment, technology, raw materials and products. While the number of newly built enterprises is very limited, existing enterprises are very great in number. If, in developing production in the future, we are able to rely not only on the very limited new enterprises but also mainly on technical reform of the majority of the existing enterprises, we will consequently be able to develop production even faster and with higher economic efficiency and unified speed and efficiency. In the past decades, industry in the Soviet Union developed slowly and so did our industry in the past 30 years and consequently there appeared a wrong feeling that industry had "big basic figures and slow speed." In fact, the important reason for this situation is that the related economic management system hindered the technical reform of the existing enterprises and the transformation of the enterprises themselves. As a result, the majority of the old enterprises have failed to develop production and by solely relying on some newly built enterprises it is only natural that production is developing more and more slowly.

In order to enable the hundreds of thousands of existing enterprises to carry out technical reform in a planned way and step by step, Comrade Sun Yefang suggested increasing the depreciation rate of fixed assets. He suggested that in the first step, the depreciation rate may be increased from about 4 percent to about 10 percent and depreciation funds may be handed down to enterprises for renewing their equipment. He also suggested that measures must be taken through economic management so that enterprises will have both motive force and pressure to carry out technical reform.

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Comrade Sun Yefang has his own original system of socialist economic theory and his own incisive ideas on socialist construction because he persistently links theory with reality, engages in bold probing and dares to uphold the truth.

He paid very much attention to the study of Marxist theory. In the mid-1920's, he studied Marxism-Leninism in the Soviet Union, and later was responsible for interpreting courses on political economics with his rich theoretical experiences. In the 1940's, he was working with the party school in central China and he found that within the party there existed a tendency of empiricism to neglect theoretical study. He wrote a letter to Comrade Liu Shaoqi in which he stressed the significance of theoretical study in guiding the Chinese revolution to victory. This view was fully affirmed by Comrade Liu Shaoqi. Following liberation, he was posted in leading positions in professional departments and research departments and in these departments he time and again stressed that theoretical study was perfecting "basic skills." He also attached great importance to studying and investigating economic life and from these activities he made theoretical summaries to direct practice. In the early 1930's, he used Marxism as guidance to study and investigate the economy in China and particularly the rural economy. Thanks to his deep investigations, he was able to correctly analyze the nature of the society in China, refute the fallacies of Trotskyist faction and popularize the party principles and policies about democratic revolution. The above-mentioned views and suggestions were made possible after he grasped numerous reference materials from reality. He suggested that research departments must establish contact with professional departments and demanded that the Economic Research Institute of the Chinese Academy of Sciences be put under the leadership of both the CPC Central Committee and the State Planning Commission. In this aspect, he was supported by Comrades Zhou Enlai and Li Fuchun. He actively suggested research units to build "experimental fields" in factories, shops and rural areas. He led a number of research personnel to stay in selected factories to help improve their work and gain firsthand experience for guiding overall work. He has also consequently written a number of research reports with rich contents and particular views. In short, Comrade Sun Yefang has been able to fully demonstrate the party's fine style of study characterized by linking theory with practice.

Another outstanding character of Comrade Sun Yefang is that he has the courage to uphold the truth and conduct criticism and self-criticism.

During the revolutionary war, Comrade Sun Yefang heroically fought against the enemy no matter whether in his secret fight when he was carrying out risky underground work or in the battlefield. When he was responsible for economic theoretical work following liberation, he also boldly opposed traditional wrong concepts. His motto is a sentence from a poem by Dante once quoted by Marx: "As at the entrance to hell, at the entrance to science we must make this demand: 'Here, all hesitation must be eradicated and here any cowardice is helpless.'" In the early 1960's, he was labeled by Kang Sheng and Chen Boda as "the biggest revisionist in China"; he was criticized and dismissed from office. But Comrade Sun Yefang declared: "I long ago realized the nature of this question and the argument that might occur. But it is very risky to try and solve this case that has been pending for decades." He was jailed during the 10 turbulent years. There were neither magazines and newspapers nor pen and writing paper in the prison cell. Nor was he allowed visitors or access to news reports. In spite of all this he did not give up. He said: "After I was put into prison, I did not feel sorry about dying, nor was fame important to me. But my views on economics that I had been studying for a long period could in no way be discarded; had I died I had to leave these views for the masses to understand!" On the second day following his imprisonment, he began to recall the draft for the book "On Socialist Economy" which he intended to write many years ago. Excluding the preface, the book has 22 chapters and 183 sections. During the 7 years and 5 days when he was deprived of freedom, Comrade Sun Yefang worked out in his mind the draft of the whole program on dozens of occasions. He also used the pen and paper that were given to him for writing "letters of confession" to write an article entitled "My Argument With Some Persons in the Economic Sector" in hundreds and thousands of characters to refute the fallacies of Chen Boda and the "gang of four." Such is his character of refusing to yield to any pressure and even imprisonment. No matter how bad the situations were, he unremittingly fought for the truth. In the first half of April 1975, Comrade Sun Yefang was bewildered when he was suddenly released but at the same time was forced to write the "three correct treatments." But he openly declared: "I will not change my will, my profession, my views!" Following the downfall of the "gang of four" and particularly since the measures taken by the CPC Central Committee to restore order, the criticism of "leftist" mistakes and the advocation of reforming the economic system have helped to prove that many of Comrade Sun Yefang's viewpoints are correct. But amid praise, he said: "My theoretical viewpoints are not and cannot be '100 percent correct.'" He acknowledged that in the past, under the influence of the "communist wind," he denied the award system and the system of profit retention by enterprises and said that this view "is 'leftist' thinking." Such an attitude of daring to make self-criticism is as valuable as his courage in upholding truth.

Comrade Sun Yefang is a veteran communist, with his membership dating back to the 1920's. He is an acknowledged authority in the sector of economics in our country. But he remains modest and open-minded. He sticks to the principle that all are equal before truth and he respects differing views, including the views of the comrades under his leadership. Time and again he ordered the editorial department of JINGJI YANJIU to give priority to carrying the articles that express views different from his own. He conscientiously replies to letters to editors. He suggested the holding of open discussions and stressed the importance of protecting the right of those criticized to debate. He said that criticism and struggles are not dreadful and that the agony is to have been deprived of the right to debate. He advocates clear-cut viewpoints, no matter how sharply expressed they are. He never cares about personal gain and loss and he never bears personal grudges. Some of the members of the group that is now helping him in writing books held different views with him in the past and yet he treats them equally, is concerned with them and is also training them.

These comrades, on the other hand, have also been completely convinced by his correct theoretical viewpoints and his lofty character and they have become his competent assistants.

Comrade Sun Yefang's incisive academic views and strict attitude in study have a considerable influence in economic circles in our country; they are generally respected and have also become famous in economic circles abroad. As his students, we want to follow his example, work hard on the economic theoretical front and make our contributions toward implementing the socialist modernization program of our country.

CSO: 4004/17

THEY ARE THE MOST LOVABLE PEOPLE

Beijing RED FLAG in Chinese No 24, 16 Dec 82 pp 31-33

[Commentator's article]

[Text] Recently, from newspapers and journals to radio and television broadcasts, from street corners to numerous families and households and from urban to rural areas in the vast socialist motherland, the two glorious names of Jiang Zhuying and Luo Jianfu are being transmitted and eulogized. Their stirring deeds and lofty characters have touched and inspired the hearts of the people, and they can hardly refrain from tears. People simply do not know what words can be used to express their esteem and love for these two comrades. We should say: They, and people such as them, are our most lovable people today!

In talking about most lovable people, people will call to mind the volunteers of the war to resist U.S. aggression and aid Korea. During the war to resist U.S. aggression and aid Korea, the volunteers were generally acknowledged to be the most lovable people by all patriotic compatriots. Among them were heroes like Huang Jiguang, who blocked the enemy's machine gun with his chest and paved the way to victory for his comrades-in-arms; great fighters like Qiu Shaoyun, who strictly observed the law of ambush and remained motionless until his death although his body was on fire; and such internationalist fighters as Luo Shengjiao who gloriously gave up his life to save a Korean youth.

Every period has its own most lovable people. Such people as Zhang Side, Liu Mulan and Dong Cunrui were the most lovable people of the revolutionary war years. Precisely because of their struggle and sacrifice new China was born. Peacetime construction was also a battle in another form. In the battle of the 1960's, we had such most lovable people as Jiao Yulu and Lei Feng. Today, in the battle to create a new situation in socialist modernization, we have such most lovable people as Jiang Zhuying and Luo Jianfu. Their names should be inscribed in golden characters in the heroic history of the great practice of our communist movement.

In former years the fighters on the Korean battlefield, who endured all kinds of hardships and persisted in fighting with the motherland in mind, lived on only mouthful of fried wheat flour and snow. How simple and beautiful their words were: "We are eating snow here precisely so that the people of our motherland will not have to eat snow. They can sit in their clean, bright and spacious houses, brew pots of tea close to their small stove, eat what they want and do as they please." Must not such most lovable people as Jiang Zhuying and Luo Jianfu battling on the forefront of building material civilization and spiritual civilization also nurse the same aspiration? "The needs of the state are our responsibility. How can a scientific worker stand by with folded arms when practical problems crop up?" This was what Jiang Zhuying said as well as practiced. "In science, the important thing is the 'result' of research and not 'individual' researcher." This was what Luo Jianfu said as well as practiced. For years they diligently worked and created under conditions similar to "mouthfuls of fried wheat flour and snow," willingly served as "paving stones" and were always ready to offer the most valuable scientific research materials they had mastered to others. People could not help associating their character with that of the telephone operator who used his own body as a cable to ensure the smooth function of the communication network on the Korean battlefield in former years. Jiang Zhuying and Luo Jianfu were indeed worthy of the title of most lovable people!

The most lovable people on the Korean battlefront in former years were the indomitable fighters made of special stuff. Although seriously wounded, they nevertheless gritted their teeth, stuffed the intestines back into their abdomens, covered the wounds with their broken hands and continued to give battle. Today, we have the case of Luo Jianfu who, when his chest was bloated by tumors and his skin was burning with intense pain, still refused to take pain-killing injections or sleeping pills because that would interfere with his continued investigation and manufacture of the "Type III" graphic generator. Likewise, Jiang Zhuying also bravely bore the pain of numerous illnesses and continued his battle until his final breath. How faithful and loyal they were to the cause of the party, the people and the motherland! Like candles, they burned themselves up and gave all their heat and light to the socialist cause. This kind of spirit is on the same plane as that of such heroes as Huang Jiguang and Qiu Shaoyun. To call them most lovable people is not at all excessive!

As in the case of the tens of thousands of most lovable people from among the workers, peasants and intellectuals who appeared on the Korean battlefield, there are also tens of thousands of advanced elements who selflessly give their all for the country, for society and for the people in every field of socialist construction. They came from among the workers, the peasants, the PLA and also the intellectuals. Jiang Zhuying and Luo Jianfu were the representatives of advanced intellectual personalities. There are still many more advanced personalities like them among the intellectuals. Wang Jiyong has been praised as a "living Jiang Zhuying," Zhang Tongxing has been praised as a "living Luo Jianfu," and famous economist Comrade Sun Yefang is still giving counsel in creating a new situation in socialist construction despite his serious illness. They all are this kind of advanced personality. They radiate the bright light of communist ideology and they are the reappearance of the proletarian revolutionaries with communist spirit of the war years under new historical conditions. They understand science and have the knowledge, and furthermore, they also keep on seeking and exploring and use their knowledge to provide the most effective service for socialist construction. They have made so many contributions to the party, the motherland and the people, but they are still not satisfied and feel that they have not done enough. In material life and treatment, they ask almost nothing from the party, the motherland and the people, but they always feel satisfied and refuse what is actually extremely rational consideration. They freely and unconditionally dissolve themselves completely into the socialist cause of the people. Their greatest happiness is dedicating their all. For the sake of struggling to uphold the truth, they are never the slightest bit disloyal or half-hearted no matter under what kind of conditions. "The road may be long and far, but I will keep on searching from top to bottom." "As this is also what my heart dictates, though I may die nine times I still have no regrets!" They are the best offsprings of the party and the most precious wealth of the people. "What they eat is grass and what they give is milk and blood." These words are also most appropriate when applied to them. Our people, our nation and our socialist motherland should take pride in them. They are also the examples people throughout the country should emulate.

The deeds of Jiang Zhuying and Luo Jianfu have also most clearly showed that they are indeed worthy to be called the outstanding vanguards of the working class. Their deeds have also manifested the spiritual features of intellectuals trained, tempered and tested for more than 30 years. Facts have shown that most of our intellectuals have ideals, aspirations and capabilities. They are imbued with the sense of responsibility of developing China. They have inseparably bound their destiny with the destiny of the workers, the peasants and the socialist motherland. They have indeed long become a component of the working class. They are one of the three basic social forces of socialist modernization. Our socialist construction must rely on the creativity and labor of the workers and peasants. At the same time, we also absolutely cannot be short of the efforts and struggles of the intellectuals. Without a powerful contingent of intellectuals, we will not be able to rely on the forces of science and technology and the forces of the intellectuals to promote the development of productive forces, and we will also not be able to raise the scientific and cultural level of the whole nation and educate the people to become disciplined workers with ideals, ethics and culture. Without intellectuals, the task of quadrupling production cannot be fulfilled, and the building of the two civilizations will become an empty phrase. Before liberation, our country was an economically and culturally very backward semifeudal and semicolonial society, and we had actually very few intellectuals. Since liberation, along with the development of cultural and educational undertakings, we have more intellectuals trained by the working class; but because of the fetters of "leftist" ideology and the concept of small production, the growth and expansion of the contingent of intellectuals have for a long time been suppressed. During the 10 years of internal disorder of the "Great Cultural Revolution," large numbers of intellectuals were prosecuted and this widened the gap between our science and technology and those of the advanced contemporary international level. At present, the broad masses of intellectuals in our country have shouldered the glorious and arduous mission of carrying forward the revolutionary cause and forging ahead into the future, as well as invigorating and developing our scientific, cultural and educational undertakings. Their tasks are extremely arduous; but their family burden is heavy, their living and working conditions are poor and the state of their physical condition is rather serious. This kind of condition is also particularly noticeable among middle-aged intellectuals such as Jiang Zhuying and Luo Jianfu. All these have more clearly manifested the importance and urgency of implementing the policy toward intellectuals and giving full play to the role of intellectuals.

However, even now, the mentality of belittling and despising intellectuals still finds a certain market. Some comrades still do not acknowledge that like the workers and peasants, the intellectuals are a reliable force for building socialism. Some comrades have remained indifferent to the fact that the treatment for intellectuals is inclined to be too low, and even resented improving the treatment and working conditions of intellectuals. Some comrades have assumed airs as representatives of workers and peasants and raised objection to the all-round implementation of the policy toward intellectuals. In their eyes, it seems as though putting the stress on knowledge and intellectuals means negating the value of physical labor and the role of the workers and peasants. This viewpoint of setting the intellectuals against the workers and peasants is extremely wrong and runs counter to the opinion of the workers and peasants working diligently and conscientiously on the frontline of production. The working masses understand best the role played by science and technology in production as well as in lightening and protecting labor. They also clearly see the gap between the contribution and treatment of scientific and technical personnel. They fully understand the need for closely integrating physical labor with mental labor and the fact that the workers and intellectuals cannot be separated from each other. After the practice of the production responsibility system, the broad masses of peasants have a strong desire for scientific knowledge, and it is no longer news that technicians have become targets whom the peasants are competing for. This mentality of not acknowledging that complicated labor is worth more than simple labor, not acknowledging the fact that mental labor requires certain working conditions and therefore not agreeing to improving the working conditions of intellectuals to heighten and enhance the efficiency of mental labor, is detrimental to the development of productive forces and to the early realization of modernization, and therefore, also does not conform to the basic interests of the workers and peasants. The workers and peasants have all along regarded the intellectuals as indispensable members of their own working class. They call upon all units with intellectuals to correct their understanding and attitude regarding intellectuals, conscientiously implement the party's policy toward intellectuals with a high degree of consciousness and fully trust and protect the intellectuals. In particular, they must pay attention to taking care of and cherishing the group of outstanding intellectuals, who are hardworking like Jiang Zhuying and Luo Jianfu and have genuine ability and learning, let them boldly put their ideals and aspirations for building socialism to use and bring into play all their wisdom and strength.

Let us emulate our most lovable people and protect our most lovable people! We must work hard at our posts with the zeal of "moving with the speed of a shooting star and taking two steps of the stairs at the same time" of Comrade Jiang Zhuying to offset the loss caused by his premature death. In particular, party committees at all levels must consciously use this kind of drive to implement the party's policy toward intellectuals and to avoid further losses. This is the most fitting way for us to commemorate such most lovable people as Jiang Zhuying and Luo Jianfu!

CSO: 4004/17

MAKING SERIOUS INVESTIGATIONS AND STUDIES IS THE GUIDING PRINCIPLE FOR THE THOUGHTS AND ACTIONS OF ALL PARTY CADRES

Beijing RED FLAG in Chinese No 24, 16 Dec 82 pp 34-36

[Ideological commentary by Shi Youxin [2457 0645 2946]]

[Text] Today, when reading the series of letters and comments written by Comrade Mao Zedong in 1961 on investigations and studies, we still have a feeling of freshness and closeness. One should proceed from reality in doing everything. He who has made no investigations has no right to comment. This should become the guiding principle for the thoughts and actions of party leaders and comrades of the whole party.

Making investigations and studies is the basic means of Marxism. No matter what we do, and what we work at, it is necessary to bring the subjective to meet the objective and thoughts to actions in order to reach the expected goal. If they fail to meet with each other we will run into a stone wall and meet with failure, which goes contrary to our wishes. Why is subjectivism wrong? Because it does not proceed from reality but from subjective desires. Comrade Mao Zedong said: The Marxist spirit is to make serious investigations and studies on specific problems and to make concrete analysis instead of abstract and subjective analysis. Marxist philosophy is both dialectic materialism and historical materialism. It guides people to have an accurate understanding of the true colors of the objective world. Whether it is making revolution or doing construction, no success will be achieved unless we proceed from the realities of our country and integrate the universal truth of Marxism with the concrete realities of our country. And the course of integration is also the course of investigating realities and learning the objective law. It is not simply a matter of working style to go deep into the realities of life, make investigations and studies, to get hold of the large amount of reliable material and then draw forth the correct strategies, but it is a matter of upholding Marxist epistemology and the party's ideological line. If one keeps oneself from the colorful and concrete perceptual knowledge and away from the base and source of recognition, how can one achieve a correct understanding? Some comrades stick to the old habit of having no contact with reality which was formed over years, and some are used to copying word for word the instructions from senior authorities when issuing orders. Instead of taking into consideration the concrete situations of one's own local area and unit, suggesting new methods and blazing new roads, they either seek uniformity regardless of real conditions or give vague and general instructions. The problem lies in the fact that their thinking is detached from reality. A great number of facts in real life have shown that whoever goes investigating among the masses, his thinking will be liberated and he will be able to create a new situation for the work. Whoever fails to make investigations and studies, his thinking will be rigid and he will get nowhere. Therefore it should always come first to uplift our spirit, do a harder job in making investigations and studies and straighten out the ideological line.

If we only recall history, we will come to realize that whether we make investigations or not has a direct bearing on the prosperity and success of the course of revolution and construction. In the years of revolutionary warfare, owing to subjectivism which did not make investigations and studies, and which did not proceed from realities, our party suffered great losses, most of the revolutionary bases collapsed and over 90 percent of the revolutionary forces were lost. Comrade Mao Zedong put forward the road of having the countryside encircle the urban areas, and a whole series of principles and policies on new democratic revolution. The fact that they could lead the Chinese revolution to victory is simply because Comrade Mao Zedong did not copy exactly the experiences of other countries, but through investigations and studies he got to know the national conditions of China and then concentrated the wisdom of the whole party and made concrete use of Marxism to bring things into conformity with the realities of our country. After the founding of our country, we had similar experiences and lessons. In any period that attached importance to investigations and studies, such as the early fifties and early sixties, party principles and policies were relatively in conformity with the objective realities and the various items of work got on very well and the achievements were remarkable. In some other periods, the guiding principles and policies were seriously separated from reality. This gave rise to great losses. One of the important reasons is that few or no investigations were made. Since the 3d Plenary Session of the party's 11th National Congress, the party Central Committee has repeatedly stressed seeking truth from facts, liberating one's mind and proceeding from reality. Resuming and encouraging the fine tradition of making investigations and studies has again brought the various principles and policies in conformity with the realities of our country as well as with the aspirations of the party and the people. As a result, our party is once again full of vitality and prosperity just as in the times of Yenan and the period just after the founding of the country. Historical experiences have proved that the rise and the decline of the party's course is closely related to the growth and the disappearance of the style of making investigations and studies. It is at a great cost that our party has come to realize the importance of making investigations and studies.

Comrade Mao Zedong said: Making investigations and studies is extremely important. There are three conditions to doing a job: 1) To have a clear picture of the situation; 2) great determination; and 3) right methods. Among these three, to have a clear picture of the situation is the basis.

Only if one has a clear picture of the situation can the resolution one makes be correct. The stronger the right resolution, the better can one do the job. On the contrary, if one makes up one's mind before making sure of the situation, it might be resolution to do a wrong action, and the stronger is this resolution the worse the matter might turn out to be. These kinds of examples are not uncommon. To have a clear picture of the situation is the precondition of correct methods. An important reason for our winning battles in the past is that our warfare tactics--the deployment of army forces, the selection of breaches, the confirmation of the time of attack--met with realities. Correct deployment could only come from previous thorough reconnaissance and studies of the situation. In 1936, Comrade Peng Dehuai led the Red Army to attack Shanxi. He made surveys by himself for a week in order to decide when to cross the Yellow River. In 1949, in attacking Taiyuan, we had over 200,000 troops yet he still could not set his heart at ease. He again led the scouting officer round Taiyuan himself and investigated the place for 4 days. Now we should create an overall new situation. The problems that are waiting to be solved are much more complicated than fighting battles. The tasks are even harder. They are badly in need of "commanders" at various levels, commanders who will personally go investigating at the front line.

At present, the situation is developing at a rapid pace. New experiences, new creations, new situations and new problems in different spheres and respects keep emerging. Under this situation, being a leader should not just mean having one's own thinking keep up with the development of the situation but should also mean making a timely summary of the masses' experiences and creations and then raising them to a higher level, which in return might further guide the masses' practice. Furthermore, leaders should foresee the trend of development of matters and stand in the front to guide them. From the laws of cognizance, once the events and conflicts that people face are more complicated and variefied the change will be faster, with that, the more should we take care to avoid simple, one-sided and rigid recognition and the more need we go deep into reality to make investigations and studies. At present, there are some comrades who do not have much determination in doing things. They lack confidence and means. One important reason is that they have stayed in the office for too long a time and have made too few investigations and studies of realities. We are dialectic materialists, not idealists. Our determination and confidence do not come from subjective imagination which has no factual basis, instead, they are built on the basis of knowing the realities and the objective law. When we have a thorough understanding of a certain matter or a certain job and find the law, we will naturally be filled with determination and confidence.

The same thing applies to methods. The various conflicts in social production and social living mostly take place and are exposed at the grassroots level. It is the cadres at the grassroots level and the masses who know every detail of the various contradictions. Inexhaustible wisdom is buried deep among them. There are many wise and capable persons who have rich practical experience. Every day they deal with different kinds of contradictions. They are all there analyzing and solving contradictions, therefore they are also good hands at solving different kinds of contradictions. There are many problems that we could not find solutions to by racking our minds in the office. Once we have had discussions with the masses and the cadres at the grassroots level, there will be solutions. Any leaders who have boldness and means, who can make a breakthrough in the working situation despite complicated contradictions, are leaders who are good at discovering, summarizing and spreading the experiences and creations of the masses from investigations and studies. Different forms of systems of contracted responsibilities with payment linked to output have been created by the masses. The party Central Committee discovered this creation and encouraged it. This has given rise to a great readjustment in the relationship of production in our country's rural areas. As a result, the development of productive forces has been vigorously pushed forward. Comrade Mao Zedong always said in Yenan that sometimes he was uncertain about something and felt upset, but once he got in touch with reality and with the masses and cadres at the grassroots level, he would know what to do. Even a leader like Comrade Mao Zedong with a high level of Marxism, profound learning and rich experiences had to get his ideas and methods by learning from reality and the masses. Should not we do just the same?

Some comrades think that they can have a clear idea of things and give working instructions by listening to reports and reading written reports brought to them from grassroots units. Of course this method is necessary, yet it is quite insufficient. A more important and basic means to grasp reality is if the leaders take a direct part in making investigations and studies. Only by so doing can they obtain basic knowledge about various problems as well as a wealth of firsthand material. Only by doing so can they listen directly to the voices and opinions of the masses and have a better understanding of their experiences and creations. Things and happenings found out in such a way are more authentic and reliable than material retold or written down by some other people. For they are facts seen and heard by the leaders themselves when they make their personal appearance at the forefront of practical activities. They find out the facts directly from the participants of the event on production and work, therefore they are vivid and concrete, true to life and original as well, whereas items in written reports are generally polished. They are naturally influenced by the thinking method, level of understanding, analyzing ability and writing skill of the report writers. Some might add inflammatory details to the account, changing one to two things; some might be poor at summing up, making analysis and expressing themselves, so as a result, some very good experiences are not properly presented. Even though what the leaders read are reports written after making serious investigations, (this is of great use) yet to the leaders themselves they are still indirect experiences though they are something of direct experience to other people. Therefore, it is still necessary for us to make investigations ourselves. Self-acquired firsthand material is the base, and some other written reports and data are then referred to. As far as our horizon and insight are concerned, it will make a lot of difference if we have not looked into the matter. Having done so, it will enable us to grasp the main contradictions, experiences and problems. Furthermore, it will enable us to analyze, select and make use of the material in the written reports on a higher plane. Finally, we can combine them with what we find out in our investigations, from which we might come to some essential conclusions which we take as our guiding principles.

The purpose of making investigations is to solve problems and to bring the subjective in conformity with the objective. Therefore, it is necessary to adopt an honestly scientific attitude in making investigations. This is a basic demand on making investigations and studies. In 1932 Comrade Mao Zedong pointed out: "One of our slogans is that he who has made no investigations has no right to make comments. The other is that he who did not make proper investigations has no right to make comments either." The second slogan can be said to be a development of the first one. This shows that the method of investigation encouraged by our party does not mean any kind of investigation, but the right investigation. Any investigation that goes against objective reality such as sticking to first impressions, seeking proof, especially for oneself, with bias, or investigation which does not speak the truth though knowing only too well there is falsehood will not only be unable to reach the right conclusion but the label of "making investigations and studies" might do a lot of harm. We have learned not a few lessons in this respect. We should be on our guard against that. No matter under what conditions, we should make a comprehensive analysis and summing-up of our investigation material. We shall not be cheated by various false phenomena, nor should we be satisfied with observation that are isolated, one-sided, and that might shut our eyes to the law of development of matter. Nor shall we be afraid of listening to different opinions. Above all, we should not be afraid that the judgment and decision we have already made might be toppled by the trial of practice.

Making investigations is something of significance. Responsible leaders of the party committees at various levels should personally set the ball rolling. Some comrades have emphasized that they are too busy with their work to go to grassroots units. It is a fact that they are busy and they need to squeeze in time to go down. Leading comrades of the party Central Committee are occupied with a myriad of state affairs every day. Doubtlessly, they are the busiest of all. However, they still squeeze in time for making investigations and studies in the four corners of the country. We should learn from their examples. Here, making investigations and studies and improving the style and method of leadership are closely related and help each other forward. If we do not make investigations and studies the more easily will our leading energy get trapped in trivial affairs; as a result, the less time we will have to get to basic units. In order to change this vicious circle, we should begin with making investigations and studies. Leading organizations at various levels, especially the main leading comrades, shall take the lead in changing their leading style and improving their method of leadership. Seize a major period of time and go deep into the realities of life. This will not only help one do one's own job as a leader well, but can give the juniors an example to follow. Similarly, this might well create conditions for the junior organizations to change their style and improve their working methods.

There is a giant in Greek mythology called (Antai), the son of the sea god Poseidon and the earth goddess Gaia. When fighting, he can continuously absorb strength from his earth mother and therefore be incompatible on the condition that his body does not leave the earth. We can say that the people and the masses are the mother of us communist people. As long as we do not keep ourselves away from the masses and reality, and make investigations and studies, and seek truth from facts, as long as we proceed from reality in doing anything, we can incessantly absorb inexhaustible strength from the mother. Our course will surely be to win one victory after another.

CSO: 4004/16

WHAT COUNTS MOST IS TO SOLVE IDEOLOGICAL, UNDERSTANDING PROBLEMS OF LEADING BACKBONES

Beijing RED FLAG in Chinese No 24, 16 Dec 82 pp 37-39

[Commentator's article]

[Text] At present, cadres throughout the country are studying the documents of the 12th CPC Congress and this vigorous mass drive is developing in depth. The gains of this study campaign are notable. The majority of cadres have more or less gained the same understanding of the program, principle and policies formulated by the 12th CPC Congress and have begun to solve some ideological problems. However, it must be realized that this is merely a good start and the achievements are still initial ones. There are still many problems both in the intensity and scope of study which require us to develop this study drive in depth. However, the leading bodies of some localities and units do not quite understand this. After leafing through the pages once, they thought they had "already studied" the documents and grasped their essence "sufficiently well." Thus, they slackened their efforts in study. In reality, they have not grasped the essence of the documents. They have not found out, in relation with their actual thinking, the principal ideological obstacles to the implementation of the guidelines of the 12th CPC Congress in all fields of work and conscientiously solved the major problems of understanding in the leading bodies. This method of study will invariably affect the implementation of the guidelines of the 12th CPC Congress.

In order to truly master the documents of the 12th CPC Congress, deepen our understanding and bring our thinking into line with the tasks, principles and policies formulated by the congress, it is first necessary to unify the ideology and understanding of the leading bodies at all levels, particularly the leading backbones at and above the county level. Practice since the 3d Plenary Session of the 11th CPC Central Committee shows that how fast a locality, department or unit can develop depends on whether or not the leading body follows a correct ideological line, whether it has achieved unity in ideology and understanding and whether it is truly at one, politically speaking, with the Central Committee. Where a good job has been done in studying and grasping the guidelines of the 12th CPC Congress, the political awareness of the leading backbones is high and no time has been lost in emancipating the mind, things will develop swiftly and there will be a new situation in all work and rapid progress in production and other fields of construction. On the contrary, if the leading cadres of a locality or unit are slow in becoming politically awakened and adopt a wait-and-see attitude, the initiative of the masses of cadres and people will not be brought into full play and work and production will lag behind. Therefore, in the present drive to study the guidelines of the 12th CPC Congress, leading cadres at all levels must learn from this experience, avoid "going through the motions" and concentrate first on solving the problems of ideology and understanding of the leading backbones. Leading backbones must pay special attention to this task and we must pay special attention to the leading backbones. Each level must keep an eye on the other and it is necessary to grasp the work down to the grassroots level. This is the key to mastering the documents of the 12th CPC Congress.

The guidelines of the 12th CPC Congress are the development and improvement of the line, principles and policies since the 3d Plenary Session of the 11th CPC Central Committee. In linking with one's actual thinking, it is first necessary to lay stress on linking with one's actual thinking since the 3d plenary session and gain a deeper understanding of the line, principles and policies since then. Leading backbones at all levels must earnestly review the party's principles and policies since the 3d plenary session and find out which of these have been implemented quite well and where they fall short and why. They must also find out if there are ideas in their own locality or department which are inconsistent with the guidelines of the 12th CPC Congress. On the basis of review and sorting out, they will be able to find out the principal ideological obstacles to the implementation of the guidelines of the 12th CPC Congress, seize on some major problems of ideology and understanding and work out specific solutions. For example, a small number of cadres, including some leading cadres at and above the county level, feel uneasy about some of our present policies and fear that these policies "show deviations" and are "inclined to the right" because they have not thoroughly rid themselves of the "left" ideological influence. They welcome diversified economic undertakings in practice but are not convinced on a theoretical level. In particular, they are still skeptical about the socialist character of the production responsibility systems instituted in the countryside. Some of them think that we are drifting farther and farther away from communism. In the past, undertakings were "large in size and collective in nature." Now they are "small in size and private in nature." For another example, some cadres are one-sided in their understanding of the relationship between economic construction and the building of spiritual civilization. They think that once production and the people's standards of living have gone up, spiritual civilization will be built as a matter of course. They fail to understand the importance of ideological and cultural education and the fact that education and science are one of the strategic priorities of economic development. They think that these are "light tasks" that can be dispensed with. Some of them still entertain "left" prejudices about intellectuals and refuse to recognize that intellectuals, like workers and peasants, are forces we must rely on in building socialism. They think that "intellectuals were subjected to too much criticism in the past but are too lavishly praised now." They even ask: "With the intellectuals becoming so popular, what will become of the Communist Party?" In dealing with this kind of major problem of ideology and understanding, leading backbones at all levels must bravely say what is on their mind, be bold in appraising oneself and consciously expose contradictions in ideology and in work with the spirit of rectification of work style. They must earnestly unfold criticism and self-criticism and overcome "left" and right errors in ideology and understanding which are inconsistent with the guidelines of the 12th CPC Congress. Only in this way will it be possible to remove the obstacles to the implementation of the guidelines of the 12th CPC Congress.

In emphasizing that we must now lay stress on linking with actual thinking, we are not talking in generalities and it certainly does not mean that we are not going to solve actual problems of work which can be solved now. Rather, we must bear in mind the party's central tasks and try to do a better job in solving major problems and tackling formidable tasks in actual work on the basis of unified thinking. For example, the organizational reform, reforms in the economic system, party rectification and so on which we are carrying out now or will carry out in the future are all formidable tasks involving complicated problems and a strong policy bearing. In order to smoothly accomplish these tasks, leading cadres at all levels must first of all conscientiously study the documents, deepen their understanding and overcome incorrect ideas. If they are content with their half-baked knowledge and do not conscientiously study the guidelines of the documents, they will not be able to fight these tough battles well.

As the situation develops, our party will continuously put forward new tasks to implement the guidelines of the 12th CPC Congress. For example, the new constitution adopted by the Fifth Session of the Fifth NPC and the Sixth 5-Year Plan are more concrete, enriched and developed than their corresponding sections in the documents of the 12th CPC Congress. We must study these documents well in order to continuously deepen the drive to study the documents of the 12th CPC Congress.

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A GOOD EXAMPLE IN USING MATERIALIST DIALECTICS TO SUM UP EXPERIENCE AND GUIDE CONSTRUCTION

Beijing RED FLAG in Chinese No 24, 16 Dec 82 pp 38-42

[Article by Zhang Jing [4545 4544]]

[Text] A very important feature of the report to the 12th party congress is that in summing up experiences in the past or in expounding a series of major questions in socialist construction, this report has followed the principle of seeking truth from facts and the scientific ideological method of materialist dialectics. This view is, in fact, what has been desired by the whole party and the whole nation in the tortuous path they traversed over the past many years and it represents a key for guaranteeing the prosperity of the socialist cause. We must not only conscientiously read and study each part of this report but must also understand the whole content so that we will be able to understand the scientific ideological method represented in this report.

Materialist dialectics is a theory that is within our reach to understand. This Marxist ideological method requires us to understand things according to their objective nature and their inner law, without any subjective and metaphysical elements. Things themselves are complicated and multifaceted and therefore our understanding must not be simple and lopsided, nor can we use our lopsided view to study the overall nature of things. Things are constantly moving, developing and changing and therefore our understanding must not stagnate. As things themselves include contradictions, it is necessary for us in analyzing and handling problems to constantly study the movement of the contradictions of these things and grasp the dialectical relations of the unity of opposites of the two sides of contradictions. The root cause of our failures in the past was mainly that ideologically we parted from materialist dialectics and the law of the unity of opposites and that in some major questions, we seriously committed the mistakes of subjectivity and lopsidedness. In their attempt to seize party and political power, the counterrevolutionary cliques of Lin Biao and Jiang Qing pushed this subjectivity and lopsidedness to their utmost and consequently subjectivity and metaphysics were rampant. Measures have been taken since the 3d Plenary Session of the 11th CPC Central Committee to restore order and basically correct subjectivity and metaphysics ideologically and restore the scientific ideological method of materialist dialectics. The reason for the report to the 12th party congress containing scientific nature and tremendous convincing power lies in the fact that this report has followed and practiced the demand of materialist dialectics.

These features of the report are first demonstrated in analyzing and expounding such questions of major principle as social principal contradictions and the party key works on the relationship between economy and politics.

We suffered setbacks in the past primarily because we did not proceed from reality in handling such major questions and we handled them with subjectivity and lopsidedness. After the exploiting class was eliminated as a class, we still regarded principal contradictions as class struggle and stressed the importance of taking "class struggle as the key" while under the situation in which economic construction has become our central task, we still stuck to the past practice of emphasizing such slogans as "giving prominence to politics" and "putting politics in command" and launched political movements one after another. Such practice not only delayed the shift of key work but also did harm to cadres and the broad masses of the people and confused normal relations among mankind. As a result, some comrades became used to "taking the road they are familiar with," that is, they became used to undertaking political struggle and political movements. However, some comrades were indifferent to politics and they were sick of political struggle. This is why, in the process of restoring order taken since the 3d Plenary Session of the 11th CPC Central Committee, some cadres have failed to totally rid themselves of the influence of the past "leftist" mistakes and intentionally or not have taken the old road of "class struggle as the key." Some other comrades have disregarded proletarian politics, opposed the "left" with the "right" and even doubted and denied the four basic principles. In the final analysis, these two tendencies were caused by people's understanding that departed from reality, by objectivity and by failures in summing up experiences and lessons well and correctly understanding the changes in social principal contradictions, shift of key work and the dialectical relations between economy and politics. An important contribution of the report to the 12th party congress is that following the "Resolution on Some Historical Questions Within the Party Since the Founding of the PRC," this report has further and basically resolved these problems that are concerned with the whole situation. This report not only points out that class struggle is no longer the social principal contradiction and the key work of the party and the state has been shifted to economic construction but also dialectically expounds the relationship between the principal contradiction and other contradictions and the relationship between economy and politics following the shift of key work. It puts the socialist modernization program in the first place, but at the same time it in no way neglects the importance of socialist political building and the party ideological and political work; it has completely corrected the "leftist" mistakes of "class struggle as the key" and yet it also points out the necessity of carrying out class struggle that still exists within a certain sphere. The whole report is characterized by the spirit of economy being the key, politics the guarantee and that the modernization program we are implementing is socialist modernization. Thus, under the new historical period, the report correctly handles the dialectical relationship between economy and politics. By following the orientation pointed out by the report, we will be able to prevent subjectivity and lopsidedness and avoid the past lesson of going from one lopsidedness to another and from one extreme to another.

Second, the features of the report are shown in a series of guiding ideology and principles and policies with regard to economic construction and political building.

Economically, the report includes a very important guiding ideology of paying attention to dialectically unifying speed with efficiency. When referring to the strategic goal of quadrupling annual gross industrial and agricultural output value by the end of this century, the report particularly stresses the importance of "constantly improving economic efficiency" as the premise; it also stresses the importance of defining strategic keys and strategic measures while the arrangement of the various tasks during the period of the Sixth and Seventh 5-Year Plans must also be centered on improving economic efficiency so as to create conditions for unifying speed with efficiency still better in the future. The report points out that in realizing strategic goals it is imperative to follow the four major principles: concentrate funds for key construction and constantly improving people's life, persist in the leading position of the state economy and develop various forms of economy, persist in planned economy as the main and market regulation as the supplement and persist in self-reliance and expanding economic and technical exchange with foreign countries. In fact, these four principles represent the four pairs of contradictions that are related with the whole situation in carrying out socialist economic construction, the four pairs of the dialectical relationship of the unity of opposites and the result of deeper understanding of the law of socialist construction. For quite a long period in the past, there was "leftist" lopsidedness in these aspects and when we were correcting this lopsidedness, some people slid down to another extreme. We must acknowledge that in handling these relations, lopsidedness may easily happen because people have different ideological levels and positions. But when we have grasped materialist dialectics and we are good at carrying out investigations and consider and analyze problems dialectically, we will be able to see that the two sides of contradictions contradict and oppose each other and at the same time to see that they are related to each other and they penetrate each other. Consequently, we will be able to raise our ideological level, we will not be limited by our positions and we will be able to decrease lopsidedness considerably.

Politically, the guiding ideology and principles and policies for building socialist spiritual civilization and developing socialist democracy mentioned in the report are also characterized by materialist dialectics, objectivity and comprehensiveness. The general guiding ideology in building spiritual civilization is that the building must be carried out simultaneously with the building of materialist civilization (because these two aspects condition and are aimed at each other), while in building spiritual civilization it is necessary to simultaneously grasp the building of culture and ideology (because these two aspects penetrate and promote each other). Theoretically, the report has made new developments and contributions in its profound presentation of the dialectical relations of the unity of opposites of these two aspects and therefore it enables us to understand and carry out in an overall way the socialist construction and the building of spiritual civilization and avoid lopsidedness in doing so. For example, the system of our country is the system of the dictatorship of the people's democracy. On the one hand, this system guarantees that the broad masses of the people are masters of their land while on the other, it guarantees to exercise dictatorship over the few antagonistic elements and these two aspects are dialectically unified. We are determined to develop socialist democracy but it is not permitted to give the antagonistic elements that are harmful to society the freedom to carry out sabotage activities. We are determined to exercise dictatorship over the few antagonistic elements but we can in no way confuse the enemy and ourselves, nor is it permitted to harm the people's right of freedom. Another example is that the building of socialist democracy must be combined with the building of a social legal system. Without a legal system based on democracy there will be no legal system to manifest the will of the people. Democracy without a legal system is neither dependable nor in a position to guarantee democracy. The right of the people to become the masters of their land must be legalized and systematized. In addition, it is the obligation of each citizen to observe and implement law. The party has led the people in working out the constitution and law while the party itself must carry out its activities within the range permitted by the constitution and the law. All these supplement each other and are dialectically unified. Another example, the implementation of the open-door policy and the policy of activating economy in the new historical period must be combined with the move to crack down on serious criminal activities in economic, political and cultural sectors. "It is wrong to pay attention to the latter aspect and doubt the former one and it is dangerous to stress the importance of the former and neglect the latter." These two policies are apparently scientific and dialectical.

Third, the features of the report are shown in the art of leadership and in working method.

Following the 3d Plenary Session of the 11th CPC Central Committee, the leading work of the CPC Central Committee has once again been characterized by the fine tradition of seeking truth from facts. No matter whether in restoring order, in working out and implementing principles and policies or in handling actual problems, attention has been paid so that in overcoming one wrong tendency we will not neglect another wrong tendency and we will be able to correctly launch ideological struggle against a "leftist" or rightist line. In these aspects, one of the most typical and the most educationally significant is that mentioned by the report. That is to say, in the process of restoring order, we have overcome the obstacles from the "left" and the right. The "leftist" obstacles affirmed everything and opposed clarifying and criticizing the "leftist" mistakes that had existed for many years and the mistakes made by Comrade Mao Zedong in his late years. The rightist obstacles denied everything in the process of clarifying and criticizing, thus "in throwing away the bath water, they also threw out the baby too." In treating these two lopsidednesses, our party did not resort to a simple method of oppression; it relied on the collective wisdom of the broad masses of cadres and people and gradually solved these problems through education and enlightenment. As a result, while the past mistakes were analyzed and criticized, we have also been able to protect the fine party traditions, the scientific truth of Mao Zedong Thought and the historical position of Comrade Mao Zedong. As mentioned by the report, over the past few years, our party has been able to oppose the "leftist" tendency that attempted to restore the wrong theory and policies to those during and prior to the "Great Cultural Revolution"; at the same time, it also opposed the rightist tendency of bourgeois liberalism that doubted and denied the four basic principles. In this aspect, our party is not only firm in its clear-cut stand but is also good at carrying out persuasion and education and making the best use of the circumstances. It has thus shown excellent art of leadership and scientific working method.

How to estimate situations and treat difficulties is a common problem in the process of revolution. These problems have become even more prominent following the serious setbacks suffered by the party and the state during the 10 turbulent years. In this aspect, the report has also resorted to the objectivity and comprehensiveness of materialist dialectics in overcoming certain subjectivity and lopsidedness in certain understanding and consequently it has been able to help people clarify vague ideology and encourage them to make progress. For example, the analyses and comparison made in the first part of the report about the historical changes that happened twice during the democratic revolution and the present historical changes are helpful in guiding people to treat situations and difficulties dialectically. The analyses made in the sixth part of the report about the dominant aspects and dark sides in the situations of the party are helpful in guiding people to correctly treat party rectification and consequently in increasing people's confidence in striving for a better party style of work; the analyses made in the conclusion of the report about how Marxists should treat difficulties are also dialectical and convincing. All these represent the party's scientific art of leadership and working method.

Our party has become good at summing up experiences and guiding construction according to materialist dialectics; this ability has been achieved following the tortuous path taken by the party over the past two decades and more; this ability is based on deeper understanding of the law of socialist construction and it represents an important mark, showing that the party has become more mature in carrying out leadership.

During the democratic revolution, our party began to understand objective law after it experienced a tortuous path for more than two decades prior to the seventh party congress and overcame serious subjectivity and lopsidedness ideologically. Thus, the party has been able to place a series of principles and policies on the scientific basis of materialist dialectics. History will not repeat itself but it often has similarities. Our party's understanding of the law of socialist construction also became overall, profound and firm after the tortuous path that lasted for more than two decades prior to the eighth party congress.

We cannot but acknowledge that we have paid a high price for the difficulties we met since the eighth party congress. But it is not necessary to regret tortuous paths in history. It is very seldom that people understand the law of development in a plain sailing way and to experience a tortuous path in this aspect is more in line with materialist dialectics. Like the situations in the period of the democratic revolution after the 6th party congress, the tortuous development and the repeated comparisons of victories and failures in the more than 20 years following the 8th party congress have profoundly educated the party. As a result, we have deepened our understanding of the law of socialist construction, our party has become more mature and it has been able to base its guiding ideology, principles and policies and leading method on materialist dialectics even more firmly. In this aspect, we can say that the significance of the 12th party congress is similar to that of the 7th party congress. That is to say, while the 7th party congress was able to guide the revolution to victory, the 12th party congress will guide the construction to victory.

An important feature of the report to the 12th party congress and an important content of general guiding ideology is that the party is good at summing up experience and guiding construction by making use of materialist dialectics. If we spare no effort to understand how to use materialist dialectics in summing up experience and in guiding construction, we will eventually be able to considerably improve our ideological level and leading ability. If we do not work hard to improve our way of thinking and overcome subjectivity and lopsidedness, we will not be able to profoundly understand and grasp in an overall way the principles and policies of the party Central Committee although they are scientific and dialectical and consequently we will not be able to carry out these principles and policies correctly and we may even make mistakes.

The report to the 12th party congress deals with general guiding ideology and some major principles and policies and therefore in studying this report, we must relate these guiding ideology and principles and policies to our own thinking and practical experiences so as to see what kind of thinking and ways of working are in line with materialist dialectics and should be persisted in and developed and what are contrary to materialist dialectics and should consequently be overcome and corrected. The report deals with the whole and general situations while the situations, experience and practice of various fronts, regions and units are partial and individual. To understand the whole situation and the general spirit is in the interest of studying partial situations and analyzing individual situations; on the other hand, in linking with partial situations and individual situations we will be able to understand the whole situation and the general spirit still better.

Some comrades considered the study of materialist dialectics to be the business of philosophers. According to their view, it is the "business of the above" or the "business of the CPC Central Committee" to use materialist dialectics in summing up experience and guiding construction and this work has nothing to do with them. But it is not so in reality. As a universal law of nature, society and ideology, materialist dialectics exists everywhere and all sectors belong to this sphere. As scientific ideological methods, materialist dialectics is the soul of all methods and in the final analysis, any leading method and working method cannot but take materialist dialectics as their core.

Take the economic work situation for example. A major feature in major and masses production is that various departments, enterprises and links are closely linked and they condition each other. They are constantly moving and changing and in the process of their development there exists dialectical relationships of various contradictions and various unity of opposites. These relationships include those between industry and agriculture, light industry and heavy industry, accumulation and consumption, planning and freedom, centralization and decentralization, quantity and quality and speed and efficiency. This situation demands that in studying economic problems and guiding economic work, we must resort to the scientific thinking of materialist dialectics, consciously study the movement of contradictions in the economic sector and correctly handle various dialectical relationships of the unity of opposites. Some advanced regions and units have been able to develop production vigorously and develop economy rapidly and naturally they have good experiences that merit our studying. If we carry out meticulous study, we can find that the most basic reason is that the comrades who are responsible for leading production are good at considering economic problems dialectically and that their ways of thinking and working accord with materialist dialectics and the law of unity of opposites. For example, the experience of the so-called "coordinated process" in industry in fact represents a correct handling of the relations of the unity of opposites between specialization and coordination while the experience of "united body of scientific research and production" represents a correct handling of the relations between production and scientific research (the so-called production provides the subject and scientific technology writes the article). Another example, the success of the introduction of production responsibility system in rural areas is that because this system has correctly handled the dialectical relations between individuals and collective and between collective and the state. On the other hand, the reason why the practice of "everybody eating from the same big pot" obstructed the development of production is that it opposes the dialectical method in economic life.

Is it possible to carry out management and define policies without resorting to materialist dialectics? Comrade Chen Yun said: "In studying problems, defining policies and deciding planning it is necessary to compare various schemes"; "it is necessary to consider problems from various angles and study various conditions and feasibilities." These words represent a consciousness in using materialist dialectics. A book about management said: "Correct policies can be achieved from among positive and negative opinions." This view also accords with dialectics.

The situations are the same in other works. Our forefathers said these words in talking about writing articles: "The method of writing articles is combining flexibility and rigidity" while in creating works, artists resort to the method of "strength and grace" and "images and appearances." All these mean using materialist dialectics in summing up experience and guiding creation consciously or unconsciously. Any sector that has achieved good and successful experience is in line with materialist dialectics. Any work has its own relations of the unity of opposites but as long as we are able to handle well these relations, we can promote our work and reach and surpass advanced standard.

The report to the 12th party congress points out: "In the new historical period, it is one of the greatest creative project of mankind to build an originally backward country in both economy and culture such as China into a modern and powerful socialist country." To finish such an arduous and complicated project it is even more important to grasp the scientific ideological method of materialist dialectics than any other creativity. Should there be any doubt over this question?

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WHAT ARE THE DIFFERENCES AND RELATIONS BETWEEN THE COMMUNIST SYSTEM, IDEOLOGY AND MOVEMENT?

Beijing RED FLAG in Chinese No 24, 16 Dec 82 p 43

[Article by Lu Chen [7120 1057]]

[Text] In the report to the 12th CPC Congress, three concepts have been used in connection with communism, namely, the communist system, the communist ideology and the communist movement. What are the differences and relations between them?

The authors of Marxist classics used the term "communism" in different contexts. First, as a social system in the higher phase of development of human society. Marx and Engels scientifically brought to light the objective law that capitalist societies will invariably develop into socialist and communist societies. They also put forward a number of scientific assumptions regarding the future of communism as a social system. In their opinion, communist society must go through the socialist and communist phases in its development. In communist society, which is a higher phase of development, the productive forces are highly developed, the means of production are publicly owned by the whole society, class distinction and social inequalities are completely wiped out and the principle of "from each according to his ability, to each according to his needs" is implemented. It is the most advanced, the most reasonable and the best social system in the history of mankind. Therefore, the authors of Marxist classics often used the term "communism" to show the ultimate objective of communists. Second, as a scientific ideology or theory that guides man in his struggle for communism. Engels once said: "Communism is teaching concerning the conditions for the emancipation of the proletariat." This teaching is the theory of scientific socialism established by Marx and Engels. It provides the proletariat with a powerful ideological weapon for winning their emancipation. Third, as a movement toward the goal of communism. Marx and Engels held that the realization of communism as a social system in any country involved a protracted course of practice and required the relentless efforts and struggle of the proletariat and the revolutionary people. Therefore, communism is more than just a social system. It is above all a movement. Marx and Engels said: "We call communism a real movement which abolishes the present state of things."

The above shows that the communist ideology, the communist movement and the communist system are interrelated. First, without the guidance of the communist ideology, there will not be any communist movement. Only by educating the working class in communist ideology can we make the workers see the essence of the exploitative relations of capitalism, understand the historical mission of the working class and organize their own political party--the communist party. It is only under the leadership of the communist party and with the guidance of the communist ideological system that practical activities with the realization of the communist system as their ultimate objective--the communist movement--can take place. On the other hand, the communist ideology is established by Marx and Engels; but it is not an immutable, ossified dogma. It is a revolutionary theory constantly enriched and developed through practice in the communist movements of various countries. The communist ideology must be integrated with the concrete practice of the communist movements of various countries before it can truly guide the proletariat and the working people in their struggle for emancipation.

Communist ideology, the communist movement and the communist system are also inseparable because it is impossible to set a movement apart from its objective. Communism as a social system can definitely be achieved. This is an inexorable law of the development of human society. However, this does not mean that the communist system can spontaneously emerge in a capitalist society. It must first go through a socialist revolution involving the replacement of the dictatorship of the bourgeoisie with the dictatorship of the proletariat and also the building of socialism. This is also the course of development of the communist movement. The communist movement has the communist system as its ultimate objective and the communist system can only be realized in full through the constant development of the communist movement. It is precisely in this sense that the report to the 12th CPC Congress emphasized that "communism is above all a movement." China has now entered the first phase of communism--socialist society, and communist ideas and actions have long been part of our actual life. Therefore, the view that communism is but a "dim illusion" and that it is no longer necessary to publicize communist ideas is wrong.

However, while recognizing their interrelations, we must not lose sight of their differences. Although the communist movement has the communist system as its ultimate objective, we must not equate one with the other. The communist system can only be realized when the social productive forces are highly developed, when all members of the society have greatly heightened their awareness of communism and when science and education have been greatly developed and become universal. This requires the protracted efforts of several generations. Therefore, the communist movement is divided into stages according to different historical periods, and different stages have different historical missions. We must not mix them up. Although we now stress communist ideological education and the extension of the communist movement, it does not mean that we must now practice the future social system of communism. We must use communist ideology to guide our socialist construction and fulfill our tasks in the historical period of socialism. We must also set demands on the CPC members, CYL members and all advanced elements according to the communist ideology and moral ethics and, through them, to educate and influence the broad masses to work for a high level of socialist spiritual civilization. Besides, the different policies followed by the party at different historical periods are worked out under the guidance of the communist ideology in the light of actual conditions. In order to fight for communism, we must carry out the party's policies for different historical periods. At present, we must carry out the party's policies for the period of socialism, such as the policy of to each according to his work. Therefore, it is completely wrong to confuse the differences between communist ideology, the communist movement and the communist system and not to conscientiously carry out the party's policies for the stage of socialism.

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'IGNORE THE STRONG POINTS AND BRING INTO PLAY THE WEAK ONES' AND 'DEVELOP THE STRONG POINTS TO OFFSET THE WEAK ONES'

Beijing RED FLAG in Chinese No 24, 16 Dec 82 inside back cover

[Article by Jiang Xia [3068 7209]]

[Text] Our forefathers said a lot about the philosophy of employing people. Some of the more sensible theories were that we must "make use of the strong points and ignore the weak ones" and must not "ignore the strong points and bring into play the weak ones" or "employ a person to do something which he is not skilled in." Some people even came up with this extreme comparison: "If everyone develops his strong points to offset the weak ones, there will not be a single person under heaven who is unfit to be employed. If everyone ignores his strong points and brings into play the weak ones, there will not be a single person under heaven who is not to be rejected." This highlighted the importance of appropriately handling people's strong and weak points.

We often come across sayings to this effect in "Zhenguan Zhengyao" [6297 6034 2398 6008] ["Political Records During the Reign of the Taizong Emperor of the Tang Dynasty"], "Zizhi Tongjian" [6327 3112 6639 7003] ["A Synopsis of History"], "Guwen Guanzhi" [0657 2329 6034 2972] ["The Best of Classical Writings"] and even in some poems. These sayings give equal weight to reasoning and analogy. They are vivid, incisive and enlightening. However, although their reasoning and analogy show keen insight, they also reveal certain weak points. For example, "the employment of persons" is often simply likened to "the use of tools," "a carpenter's choice of wood," "the picking of a horse" or "the buying of a piece of jade." Without knowing, they obliterate the characteristics of personnel matters and turn people into things. Thus, man's dynamic role disappears and his strong and weak points become innate and unalterable. This gives rise to corrupt practices.

In "Qingshi Biecai Ji" [3237 6108 0446 5932 7162] ["Selected Poems From the Qing Dynasty"], there is a poem by Gu Sixie [7357 0843 0588] entitled "Zaxing" [7177 5281] ["Miscellaneous Thoughts"]. The poem says: "A fine horse can undergo adventures, but it cannot be compared with a cow in working the fields. A firm and solid cart can carry heavy things, but it cannot be compared with a boat in crossing rivers. If we ignore the strong points and bring into play the weak ones, even a wise man will be at his wit's end.

What makes our production tools useful is that they serve our needs. We should take care not to be overcritical." The idea of this poem is no doubt correct insofar as "employing a person according to his skill and ability" is concerned. However, things are not that simple when we consider the needs of the situation and changes in the development of human resources.

No one knows everything and no one can do everything. In this connection, it is metaphysical, unpractical and even a breach of common sense to "ignore the strong points and bring into play the weak ones," demand perfection and try to make somebody do something which he cannot do. However, some of man's weak points are just signs of neglect, narrow-mindedness or one-sidedness. If these are not properly overcome and offset, they will hinder the full development of the strong points. At a time like this, "bringing into play the weak points" becomes our starting point in "offsetting the weak points." If we indiscriminately reject "bringing into play the weak points," we are not far from "shielding our faults." People who "shield their faults" are unwilling to know their weak points and to make an effort to improve. How can these people begin to talk about progress and advancement!

Some people quote this saying by our forefathers every time they are assigned tasks which they do not know much about: "If we try to make everybody do things which he cannot do, we will find that there are not many capable persons." They make it quite plain that they are unwilling to do the job or are merely working with great reluctance or in a slapdash manner. They do not understand that when we start an undertaking, there is no way to avoid unfamiliar territory. People have dynamic power. They have the ability to learn new knowledge and grasp new skills. As long as we make a conscientious effort to study and to temper ourselves, our "weak points" can be turned into "strong points" and "things we cannot do" will become "things we can tackle with ease." If we retreat every time we come across difficult problems, how can we master new skills and special knowledge?

In the final analysis, the strong and weak points of a person are by no means innate (the idea of "my ability is bestowed by heaven"). They are shaped by the history of society and the needs of the times. When new historical events arise, a series of changes will take place, both in the overall structure of the strong and weak points of human resources in society as a whole, and in the established state of the strong and weak points of the individual. Some strong points and special skills may continue to be useful and some weak points and shortcomings need to be offset. Nevertheless, the bulk of the work is to cultivate new skills according to new needs. At a time like this, we must answer our cause and do or learn things which we are not skilled in at the moment. This may appear to be "bringing into play the weak points" or "demanding perfection," but actually it is the only way to advance our cause and to develop human resources.

At present, we are endeavoring to create a new situation in socialist modernization. There is now a much greater need for qualified persons in all fields. Qualified persons in different fields also have more opportunities and occasions to put their ability to good use. Society has an endless need for qualified persons. Under such circumstances, it seems that while continuing to pay attention to the policy of "ignoring the weak points and bringing into play the strong ones," we also have to lay stress on "developing the strong points to offset the weak ones" on the question of employing human resources. We must serve the needs of the development of our cause and cultivate, through training, new strong points which were lacking in the past but are particularly needed now.

"Bringing into play the weak points" and "demanding perfection" are not to be tolerated. Similarly, "shielding one's faults" and "noninterference" are also not to be tolerated. Our cause needs and is bringing up all kinds of qualified persons. Qualified persons in all fields must serve the needs of our cause and actively push our cause forward. This is probably the gist of the question of human resources.

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